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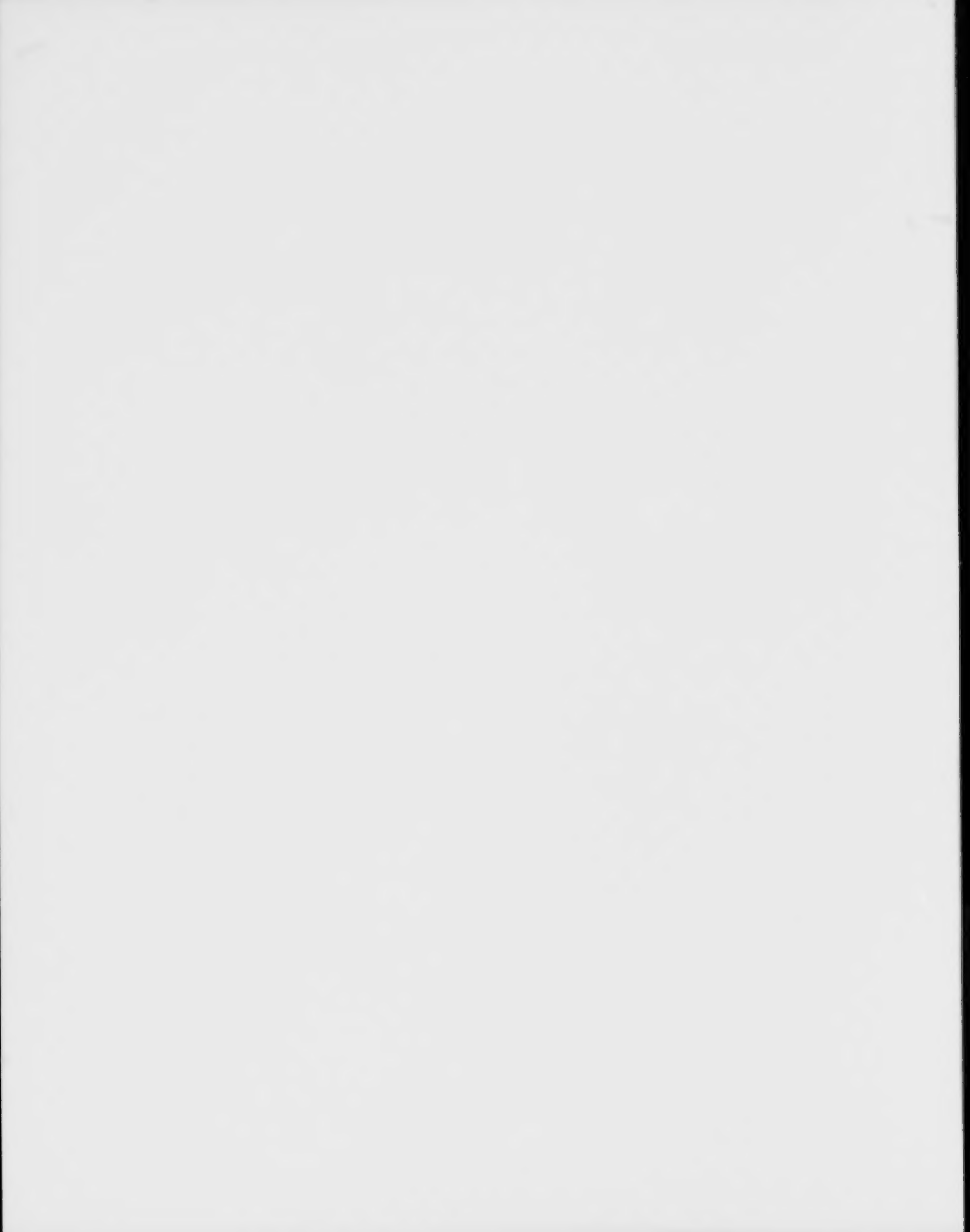
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Social Housing and the Role of Aboriginal Organizations in Canadian Cities

Ryan Walker

Aboriginal Quality of Life

IRPP





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Aboriginal Quality of Life / Qualité de vie des Autochtones

Research Director/ Directeur de recherche

F. Leslie Seidle

With this publication, IRPP continues its research program Aboriginal Quality of Life – a series of studies examining recent innovations in public policies, programs and partnerships involving Aboriginal people. This program builds on research on Aboriginal issues carried out as part of the Institute's Art of the State III project, notably the contributions of Evelyn Peters, Joyce Green and Ian Peach, and John Richards to the 2007 IRPP volume *Belonging? Diversity, Recognition and Shared Citizenship in Canada*.

The situation of many of Canada's Aboriginal people is one of the country's most pressing public policy questions. Based on a range of measures, from income and unemployment levels to health indicators, there are significant gaps in life chances between many Aboriginal and non-Aboriginal Canadians. There has been progress in some areas – for example, in the proportion of Aboriginal people who have completed post-secondary education. Nonetheless, measures such as the United Nations Human Development Index continue to underline the unacceptable disparities between Aboriginal and non-Aboriginal people in Canada. Self-government agreements signed during the past 30 years or so, particularly in the North, hold promise of a better future for the First Nations who have acquired greater community autonomy. But the majority of Aboriginal people, notably those who live in cities, are not covered by such agreements; for them, there is a need for other approaches and – above all – renewed political will.

In this study, Ryan Walker addresses the issue of social housing for Aboriginal people, particularly those living in urban centres. As he explains, from 1970 up to the 1990s there was a marked decline in the resources the federal government devoted to this field. Since 2001, the government has made what Walker describes as a "small-scale re-entry into low-cost housing" and, under a program launched in 2006, \$300 million will be allocated to off-reserve Aboriginal housing over three years. Through a series of case studies, Walker demonstrates that Aboriginal housing organizations have developed innovative new approaches to address the housing hardship

many Aboriginal people face in urban areas.

However, he concludes that this evident need requires not only enhanced funding but also clearly articulated goals and a long-term commitment.

IRPP will be publishing other studies as part of this research program. The authors will present case studies of innovations in public policies and programs in a given policy sector, including how the innovations were developed and implemented, and assess the results and lessons learned. The studies will be situated within a broader context, including historical and constitutional factors, and will outline policy directions for further progress within the policy field. It is hoped that, consistent with IRPP's mandate, this research will inform citizen understanding and policy-making in this important domain.

Cette publication représente une étape de plus dans le programme de recherche de l'IRPP sur la qualité de vie des Autochtones, qui comprend une série d'études consacrées aux innovations récentes apportées aux politiques et programmes publics ainsi qu'aux partenariats avec les Autochtones. Le programme de recherche s'inspire des travaux menés dans le cadre du projet de l'IRPP sur l'art de l'État, volume III, et en particulier des contributions d'Evelyn Peters, de Joyce Green et Ian Peach, et de John Richards à l'ouvrage *Belonging? Diversity, Recognition and Shared Citizenship in Canada*, publié par l'IRPP en 2007.

La situation d'un grand nombre d'Autochtones est l'une des questions les plus urgentes auxquelles doit s'attaquer la politique publique au Canada. Plusieurs indicateurs, depuis les niveaux de revenu et de chômage jusqu'aux indicateurs de santé, soulignent l'écart important qui existe entre de nombreux Autochtones et les non-Autochtones du point de vue des chances d'épanouissement. Certes, des progrès ont été enregistrés dans certains domaines – en ce qui a trait à la proportion des Autochtones qui ont achevé leurs études postsecondaires, par exemple. D'autres indicateurs, tel l'Indice de développement humain des Nations Unies, continuent néanmoins de mettre en lumière les disparités inacceptables qui persistent entre Autochtones et non-Autochtones au Canada. Les ententes d'autonomie gouvernementale signées depuis une trentaine d'années, en particulier dans le Grand Nord, renferment la promesse d'une meilleure qualité de vie pour les Premières Nations qui ont pu acquérir leur autonomie communautaire,

mais la majorité des Autochtones, en particulier ceux qui vivent en milieu urbain, ne sont pas présents dans ces accords. Dans leur cas, il faudra envisager d'autres formules et, surtout, faire preuve d'une volonté politique renouvelée.

Dans la présente étude, Ryan Walker se penche sur la question du logement social pour les Autochtones, en particulier ceux qui vivent en milieu urbain. Il rappelle que les ressources fédérales attribuées à ce poste budgétaire ont diminué sensiblement entre 1970 et les années 1990. Depuis 2001, le gouvernement s'est cependant réengagé, à petite échelle, dans le secteur de l'habitation à prix modique. Dans le cadre d'un programme lancé en 2006, il investira 300 millions de dollars sur trois ans dans le logement destiné aux Autochtones hors réserve. À partir d'une série d'études de cas, l'auteur montre que les organisations d'habitation autochtone ont mis au point des formules imaginatives pour s'attaquer aux difficultés auxquelles sont confrontés de nombreux Autochtones vivant en milieu urbain. En conclusion, il affirme que, pour répondre à ce besoin évident, il faut non seulement accroître les ressources financières mais définir des objectifs clairs et prendre un engagement à long terme.

L'IRPP publiera d'autres études dans le cadre de ce programme de recherche. Les auteurs présenteront des études de cas axées sur les innovations apportées aux politiques et programmes publics dans des secteurs déterminés de la politique publique, signalant notamment comment ces innovations ont été élaborées et mises en œuvre, et analyseront les résultats de ces innovations, y compris leur impact sur la situation des Autochtones et les leçons tirées de ces expériences. Les études s'inscriront dans un contexte plus large, où seront notamment évoqués les facteurs historiques et constitutionnels, et proposeront des orientations destinées à améliorer davantage la situation dans ce secteur de la politique publique. On espère que, conformément au mandat de l'IRPP, ces études de recherche contribueront à une meilleure compréhension au sein de la population et à la prise de décisions dans ce domaine important.

About the Author

Ryan Walker is an assistant professor of planning and geography at the University of Saskatchewan. Originally from Winnipeg, he has studied at the University of Lethbridge (BA), the University of Waterloo (MA) and Queen's University (Ph.D.). One of his research interests is the comparative study of Aboriginal housing in urban areas across Canada, New Zealand and Australia.

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Social Housing and the Role of Aboriginal Organizations in Canadian Cities

Ryan Walker

Over half of the 1,172,790 individuals who identified themselves as Aboriginal people in the 2006 Census lived in urban areas; their housing was, on average, significantly more crowded and in poorer repair than that of non-Aboriginal people (Statistics Canada 2008). Since as early as 1970, Aboriginal housing organizations have been operating in urban areas. They have combatted disproportionate housing hardship, fought discrimination in the private and public housing sectors and delivered housing in the most culturally appropriate ways possible within the parameters of state social housing programs. These organizations offer us one of the most successful examples of how Aboriginal community activism can effect urban policy innovation and transform a local experiment into a national program. They have survived changing policy regimes and – particularly in the past 15 years, which have seen reduced state investment in social housing as well as the growth of partnerships and competitive urban policy – they have managed to reorient their approach to developing new housing.

This paper looks at how Aboriginal housing organizations have taken innovative new approaches to their mandates, expanding their housing portfolios and range of activities to include employment training programs, social enterprises and daycare services. It draws on four case studies – Kinew Housing in Winnipeg, Lu'ma Native Housing in Vancouver, Corporation Waskahegen in Quebec and the Métis Urban Housing Association of Saskatchewan – to examine the ways in which housing policy could be augmented to improve the quality of life of young and growing urban Aboriginal communities. There is tremendous capacity and leadership in Canada's network of Aboriginal housing organizations, but these bodies need state support to transform innovations into sustainable programs over the medium to long term.

The paper begins with a brief description of the housing situation of Aboriginal city dwellers. This is followed by an examination of related policy history

and a theorization of transformations in the sector over the past several decades. Next, the four case studies are presented; and the paper concludes with a series of recommendations for increasing the scale and impact of local innovation.

A Snapshot of Aboriginal Housing Circumstances in Urban Areas

Studies conducted in 2001 of the housing circumstances of Aboriginal people in census metropolitan areas showed that 25 percent were in "core housing need"; this means that their housing was inadequate, unsuitable and, most commonly, unaffordable – that is, costing 30 percent of household income or more (Canada Mortgage and Housing Corporation 2004). The corresponding figure for non-Aboriginal households was 15 percent. Table 1 shows the corresponding figures for major Canadian cities. Severe rent burden, which occurs when a household spends 50 percent or more of its income on rent, was also significantly higher among Aboriginal households in 2001. Roughly three-quarters of the off-reserve Aboriginal residents in core housing need lived in urban areas (Ark Research Associates 1996; Canada Mortgage and Housing Corporation 2004). In 2006, the off-reserve Aboriginal population experienced crowding (that is, one or more people per room) at a rate of 11 percent, compared to a rate of 3 percent in the non-Aboriginal population (Statistics Canada 2008). Crowding was particularly acute in many of Canada's largest cities, especially on the prairies. In Saskatoon,

Table 1
Aboriginal and Non-Aboriginal Housing Affordability, Selected Cities, 2001 (percent)

City	Proportion of households paying > 30% of income for housing		Proportion of households paying > 50% of income for housing	
	Aboriginal	Non-Aboriginal	Aboriginal	Non-Aboriginal
Vancouver	44	37	19	14
Edmonton	36	32	14	10
Saskatoon	50	38	21	15
Winnipeg	38	33	13	10
Toronto	32	37	12	13
Quebec	31	31	10	12
Halifax	46	38	20	15
Fredericton	42	35	16	13

Source: Pomeroy (2004).

Table 2
Aboriginal and Non-Aboriginal Housing in Need of Major Repair, Selected Cities, 2006 (percent)

City	Proportion of population in units needing major repair	
	Aboriginal	Non-Aboriginal
Vancouver	15	6
Edmonton	14	5
Saskatoon	12	5
Winnipeg	16	8
Toronto	12	6
Montreal	14	8

Source: Statistics Canada (2008).

9 percent of the Aboriginal population lived in crowded conditions in 2006, versus 1 percent of the non-Aboriginal population. The disparity was highest in Prince Albert, where the figure was 11 percent (Aboriginal) versus 1 percent (non-Aboriginal). In Winnipeg, 5 percent of the Aboriginal population lived in crowded conditions, versus 3 percent of the non-Aboriginal population (Statistics Canada 2008).

In 2006, 15 percent of Vancouver's Aboriginal population was living in housing that needed major repairs; 6 percent of the non-Aboriginal population was in similar circumstances (Statistics Canada 2008) (table 2). The corresponding figures for Edmonton were 14 percent (Aboriginal) and 5 percent (non-Aboriginal). In Toronto, the figures were 12 percent and 6 percent; and in Montreal, they were 14 percent and 8 percent. The homeownership rate for off-reserve Aboriginal people was about 17 percent lower than that of the non-Aboriginal population (Canada Mortgage and Housing Corporation 2004), and homelessness and intra-urban residential mobility were considerably higher among urban Aboriginal people than among urban non-Aboriginal people (Distasio and Sylvester 2004). Mobility between urban areas and rural or reserve communities is also a notable issue in discussions of housing in the urban context because it is related to the way in which "home" is understood (Norris and Clatworthy 2003).

The Policy Context for Aboriginal Social Housing in Canadian Cities

In examining the ways in which we can protect or enhance Aboriginal quality of life, it is useful to recall Salée, Newhouse and Lévesque's study of the important role played by the state in such an endeavour: "quality of life hinges in part on what the state

can or cannot or will or will not offer citizens, or on whether or not the state shields them from market inadequacies. It is a function of the guarantees that the state provides citizens that basic necessities will be covered and that protection from physical or material risks and psychological distress will be available" (2006, 6-7).

For a time, affordable and adequate housing for all Canadians was a social goal valued by governments and many citizens as a right; it was one of the pillars of the Canadian welfare state (Hulchanski 2002). Over the past few decades, as the welfare state has aged, housing has become its most dilapidated pillar. Yet there is no shortage of evidence that the proportion of Canadian low-income households experiencing housing affordability problems has increased remarkably over time – most notably, since the federal government stopped building new stock under its nonprofit and cooperative social housing programs in the 1990s (Hulchanski 2002; Moore and Skaburskis 2004). There is also no shortage of evidence that strong housing policy is central to, and interconnected with, beneficial outcomes in other welfare sectors, such as health, education and income security (Carter and Polevychok 2004; Dunn 2000; Kemeny 2001).

Most housing scholars agree that the only real way to address the shortage of adequate and affordable housing for those who cannot satisfy their needs in the diminishing private rental market or the high-priced home-buyers market is for the state to build such housing (Moore and Skaburskis 2004; Walks 2006). More specifically, the state needs to provide social housing organizations with adequate and dependable resources to do the job themselves. In some cases, assisted home ownership is desirable, and this option can also be facilitated by social housing organizations. Those organizations and the housing stock from earlier decades that they still manage are the greatest legacy of the period in which social housing was a solid pillar of social welfare – generally, the mid-1960s through to 1993. A significant part of Canada's social housing provision infrastructure is the legacy of the urban Aboriginal housing organizations.

In 1973, changes to the *National Housing Act* (NHA) ushered in a series of new social housing programs. The minister responsible for housing, Ron Basford, declared upon amending the NHA that "It is the fundamental right of every Canadian to have access to good housing at a price he [s i c] can afford. Housing is not simply an economic commodity that can be bought and sold according to the vagaries of

the market, but a social right" (Canadian Council on Social Development 1976, 13). These new programs addressed public discontent with the planning and design of public housing and urban renewal, which were seen as disconnected from community aspirations and in many ways destructive to existing community networks. Included on the list of new initiatives were the cooperative housing, nonprofit housing, rent supplements, neighbourhood improvement and residential rehabilitation programs. Tenants in the social housing programs would pay according to their income level – typically, rents amounted to between 25 and 30 per cent of income.

The Urban Native Housing Program (UNHP) was one of the social housing programs delivered by the Canada Mortgage and Housing Corporation (CMHC), with rental rates pegged to tenant incomes. It grew out of the distinct need among Aboriginal people in urban areas – many of whom had come from rural or reserve communities – for culturally appropriate social housing, and it was facilitated by the capacity of growing urban Aboriginal communities to articulate and address their priorities. Approximately 11,000 units of social housing were developed under the UNHP between 1970 and 1994 and administered by about 100 Aboriginal housing organizations; the total social housing stock was roughly 661,000 units (Pomeroy 2004; Wolfe 1998).

The Royal Commission on Aboriginal Peoples reported that culturally appropriate housing was of central importance to social, cultural and economic well-being in urban areas and, not surprisingly, the commission made reference in this context to the importance of housing provided by Aboriginal housing organizations developed under the UNHP (Royal Commission on Aboriginal Peoples 1996a). Urban Aboriginal housing corporations are run by boards of directors and staff comprised mainly of Aboriginal people. Many of the Aboriginal tenants they serve have come from rural or reserve communities and have little experience of urban home maintenance, or of urban life in general. In the 1970s, the UNHP recruited counsellors to help these tenants to adjust to their new environment. This initiative was unique to the UNHP; after several years of trying, Aboriginal housing advocates had failed to win recognition from the CMHC of tenant counsellors as a legitimate program expense (Fulham 1981; Lipman 1986). In 1996, the tenant counselling services were noted by the Royal Commission for their importance in building tenant self-reliance (Royal Commission on Aboriginal Peoples 1996a); and urban

Aboriginal housing organizations began to take a "softer," more individualized approach to tenancy management issues (Walker 2003), as well as accommodating shifts in household composition as people moved between city, rural and reserve communities (Skelton 2002; Wilson 2000).

There is evidence suggesting that when social housing is provided to Aboriginal households by Aboriginal organizations, the outcomes are better than they are when it is provided by mainstream organizations. In an evaluation of its urban social housing programs, the CMHC found that the UNHP outperformed the mainstream nonprofit and rent supplement programs on a variety of well-being indicators (Canada Mortgage and Housing Corporation 1999). Compared with Aboriginal tenants in mainstream social housing, a significantly higher proportion of tenants in UNHP units had improved access to social services; they made more friends and felt more secure, settled and independent. The Royal Commission pointed out further benefits of the UNHP: the effect of family stabilization gave tenants a secure base from which to pursue education and employment; it created a domain of control where cultural identity could thrive (Royal Commission on Aboriginal Peoples 1996a, b). Despite this important, though limited, evidence, there has been virtually no research conducted on the provision of urban housing by Aboriginal organizations using culturally meaningful approaches (Walker and Barcham 2007). Research in the Australian Aboriginal housing sector suggests, however, that such approaches yield significant positive outcomes (Walker, Ballard and Taylor 2003), as do similar approaches used in other sectors pertaining to Canadian Aboriginal communities, such as health care (Minore and Katt 2007) and suicide prevention (Chandler and Lalonde 2004).

The way the state intervenes in the housing market has changed greatly since the 1970s. From 1970 to 1993, the federal government led the way in building a nonprofit and cooperative social housing sector; the state took an active role in program planning, implementation and long-term funding. From 1993 to 2001, the state stopped building new social housing. The consequences were soon noticeable. In 1999, after witnessing a rapid rise in the rate of absolute homelessness and inner-city socio-economic deterioration (see, for example, Toronto Mayor's Homelessness Action Task Force [1999] and Winnipeg's Inner City Housing Coalition [2000]), the federal government re-entered the nonmarket housing sector through the

back door. It began targeting the problem of homelessness rather than that of insufficient housing, and it used Human Resources and Social Development Canada (HRSDC) instead of CMHC. HRSDC launched the Supporting Communities Partnership Initiative (SCPI) in 1999 to provide one-time funding contributions to urban communities offering proposals to address homelessness; these proposals had to allow for sustainability and involve partnerships.

In 2001, the federal government launched the Affordable Housing Initiative (AHI) through the CMHC, officially marking its small-scale re-entry into low-cost housing provision. It avoided using the term "social housing," which might have been associated with past social welfare programs. The initiative was remarkable for its much-reduced capacity for meeting housing needs and for its lack of a coherent goal. For example, the AHI's purpose was unclear. It seemed to have no vision or measurable target, and the federal government demonstrated no commitment to leadership in the sector. The AHI was simply a five-year project in partnership with the provinces that provided a lump-sum capital subsidy to assist initiatives already underway or starting up in communities across Canada. In the end, it produced very few new housing units, and the funding it supplied was generally insufficient to reduce rents enough for those most in need of nonmarket housing (Pomeroy 2004; Shapcott 2006). It was also insufficient to allow for a sustained subsidy to housing providers to maintain rents at an affordable level over the medium to long term.

The federal government did not re-enter the off-reserve Aboriginal housing sector until 2006, when it budgeted \$300 million to be rolled out over a three-year period: the Off-Reserve Housing Trust (OHT). The OHT resembles the AHI in many ways. It will not go very far toward addressing the need for affordable housing in urban Aboriginal communities. Neither the AHI nor the OHT provide a continuing subsidy for new units, and so it is unlikely that they will be affordable for those most in need, like many of those served by the UNHP.

Social and Aboriginal Citizenship

The move from large-scale, state-led, goal-oriented social housing programs to programs like the AHI, SCPI and OHT – one-time commitments of capital funding to assist local initiatives in the

voluntary sector – has been theorized differently by a number of scholars. Bob Jessop argues that the state must now, in contemporary times, be understood in a strategic-relational context as one actor among many (2000). He maintains that there is an increasing reliance on networks, partnerships and “reflexive self-organisation” across public, private and voluntary sectors to achieve societal goals (2001). It follows that the state makes strategic contributions to relational production processes in communities where voluntary sector partners are often those responsible for program sustainability.

A second and somewhat compatible way of theorizing the shift away from state-led social programs concerned with providing a strong foundation for common social citizenship is presented by Anthony Giddens and Jane Jenson and Denis Saint-Martin. They argue that in response to neoliberal critiques of the welfare state, social democratic governments have moved away from the progressive realization of social rights, such as affordable and adequate housing for all citizens. Social cohesion – the strength of social bonds in society – replaces social rights as the goal of policy-makers and decision-makers (Jenson and Saint-Martin 2003). Keeping people engaged in active citizenship, in producing their own welfare, is seen as a way to increase social cohesion. Giddens conceptualizes this turn as a new relationship between a “social investment state” and an “active civil society” in which both state and civil society actors are better able to adapt to shifting economic conditions, and to change priorities and policy directions quickly and strategically in response to market and social forces (1998). Long-term funding commitments, such as those embedded in the discontinued social housing programs (for example, 35-to-50-year operating agreements), are not highly compatible with this model of the social democratic state. The frameworks of the AHL, SCPI and OHT are much more so.

These theorizations characterize the state as a passive subject pulled in inevitable directions and driven by too-powerful market and social forces. Some authors have, appropriately, opted to envision the state as a powerful rather than a passive force, and they present a third way of contemplating the state's role in stabilizing citizenship, addressing market inadequacies and enhancing quality of life. They argue that the dismantling of social welfare, such as Canada's social housing programs, was at best the result of poor political leadership in the face of financial downturns and governance crises. At worst, they

observe, it was a conscious move at a historic moment of opportunity to usher in an era of elite power consolidation, sacrificing the gains realized by the rest of society through a strong welfare state after the Second World War (Harvey 2005; Ralston Saul 2005).

The movement by Aboriginal peoples in Canada and internationally to advance self-determination by re-ordering relations between the state and Aboriginal society has been particularly strong since the 1960s (Cardinal 1969; Durie 1998; Green 2005). Finding good ways of “living together differently without drifting apart” requires self-determination in the context of treaty and constitutional partnership and the cohabitation of peoples (Maaka and Fleras 2005, 300). Roger Maaka and Augie Fleras have conceptualized a useful dichotomy of universal versus inclusive citizenship. The recognition of self-determination, with meaningful consequences in statute, policy and program practice, is a foundation of inclusive citizenship. It is the opposite of the one-size-fits-all, or one-size-*should*-fit-all, approach that characterizes universal citizenship in statute, policy and practice. The right of and aspiration for self-determination affects how social welfare goals such as housing are pursued. Such goals must be achieved largely by Aboriginal peoples themselves in partnership with settler governments. Self-determination in settler countries like Canada is not a right to separation and isolation – it is a right to fulfill community aspirations in partnership with non-Aboriginal communities through mutual recognition and respect.

Self-government in Canada can be understood as an approximation of self-determination that is roughly compatible with state structures and bureaucracies (Green 1997). Adhering to section 35 of the *Constitution Act, 1982*, the federal government has indicated its intent to enter into partnerships with Aboriginal communities (including urban ones) off land bases in order to further the implementation of self-government in meaningful ways (Wherrett 1999). Self-government can involve delegating to Aboriginal institutions administrative authority over state programs (for example, child and family services) or community governance – Aboriginal institutions maintain a circumscribed autonomy while the state retains power over the terms of Aboriginal development (Alfred 1999). In urban areas, the most pervasive model of self-government is based on associational communities (as opposed to land-based communities) characterized by self-governing Aboriginal institutions in sectors like housing, health, education, culture

and justice (Barcham 2000; Peters 1992; Royal Commission on Aboriginal Peoples 1996a).

The neoliberal project, which gives rise to a very different policy environment for social housing, is not incompatible with advances in Aboriginal self-determination and self-government. Self-governing urban organizations are the primary actors in the struggle for urban community self-determination. By facilitating their development, the state disposes of its responsibilities for administering social welfare; however, when it transfers responsibilities to these organizations, it provides inadequate resources to support programs yet demands accountability.

Program Innovations in Urban Aboriginal Housing

The following case studies provide insight into the ways in which the transformation in social welfare is affecting the urban Aboriginal housing sector. They show how urban Aboriginal housing organizations, which were established as a means for large government housing bureaucracies to deliver long-term programming, are now seeking their own innovative solutions and trying to find ways to support their initiatives with sporadic government funding in an environment characterized by competitive urban policy.

The case studies combine work undertaken in this policy field in 2008 (Walker and Barcham 2008; Walker 2008) with the work I did with these organizations in 2007. Case study data were gathered through one-on-one personal interviews with executive directors, managers and senior staff at each of the housing organizations; additional information came from agency documents given to me during the interviews. What follows is analysis of interview notes, although all interviewees were given the chance to suggest revisions to my representation. All but one participant submitted comments for revision, and these have been incorporated.

Kinew Housing, Winnipeg

Kinew Housing today operates almost 400 units of subsidized (social) rental housing. Its story is inextricable from the history of the UNHP. The project, which Henderson refers to as "the Kinew Housing experiment" (1971), was the first urban Aboriginal housing development to derive from the community, and it was subsequently reproduced in other

cities across Canada and taken up by the CMHC as a national model.

Kinew Housing was incorporated under the sponsorship of the Indian and Métis Friendship Centre in Winnipeg in 1970 to meet the need for culturally appropriate Aboriginal housing in the city. A group led by several Aboriginal women organized a housing committee at the Friendship Centre to serve as an advocate for Aboriginal tenants subjected to racism and discrimination in the public and private rental housing markets. The group determined that the best way to combat the problem was to establish an Aboriginal housing provider that could tailor its practices to the Aboriginal community.

Kinew Housing purchased the first homes with private funding and at low prices from the Winnipeg branch office of the CMHC. Among its objectives, Kinew included the provision of soft services — specifically, the services of a tenant counsellor. In 1971, its attempts to secure CMHC funding for such a counsellor failed, and the role was filled on a voluntary basis by a Kinew board member. Kinew's objective of delivering a rent-to-own model of housing was not allowed under the section of the *NHA* within which it operated. But once Kinew had moved beyond the experimental phase, sustainable long-term government funding was orchestrated within section 15.1 of the *NHA*, which covered nonprofit (rental) housing. Several years later, tenant counsellors were recognized as a legitimate expense for Kinew Housing (and for the UNHP generally). This, along with the allocation of higher operating budgets (due to the pepper-pot nature of Kinew's portfolio, the fact that it provided single or semidetached dwellings for larger families and its obligation to maintain its older stock) and a deeper subsidy (that is, rent was set at 25 percent of income rather than 30 percent), exemplified how autonomy or self-determination could work in response to Aboriginal community needs. Yet, despite these differences, the program parameters governing the UNHP were much the same as those governing other mainstream social housing organizations under section 15.1, and later section 56.1, of the *NHA*.

After 1993, when the period of unit construction and acquisition under the UNHP ended, over 10 years elapsed without Kinew adding to its unit portfolio. In late 2005, a commitment was made to develop 10 new units under the Affordable Housing Initiative agreement struck between the federal and Manitoba governments in 2002. The two governments each contributed \$75,000 per unit, and the 10 three-bedroom, two-storey subsidized rental units of infill housing in the

Centennial (inner-city) neighbourhood are now occupied. A small company operated by a Métis family was contracted to build them. Over half of Centennial's residents are Aboriginal people, and the neighbourhood's community improvement association was deeply involved in this project. The Centennial Community Improvement Association selected tenants from among neighbourhood residents, who were then approved by Kinew Housing. A second phase of development, comprising 10 more units, was completed and tenanted in 2007. As Centennial has recently been categorized as one of Winnipeg's improvement zone neighbourhoods, the second-phase development received a financial contribution from all three levels of government. In both phases of development, any leftover government funding was put in a reserve account to offset any year-end deficit. The Manitoba government has signed an agreement with Kinew to provide rental subsidies to make units affordable to their Aboriginal tenants.

As it did back in 1970 Kinew Housing is finding new ways to deliver social housing to its constituency using whatever means are available through government programs and community initiatives. While the development of new units is a positive thing, the rate of development is nowhere near the level it must reach to fill the growing need – in 2004, over 2,000 Aboriginal families were on the waiting lists at Kinew and other Winnipeg Aboriginal housing organizations (Simms and Tanner 2004). The greatest challenge is represented not only by the insufficient amount of new development, but also by the fact that the subsidy agreements attached to existing UNHP units will soon expire, since their mortgage loans are nearly paid out. Once this occurs, the social housing provider will own the housing asset, and rents will have to cover operating costs. The subsidy for many social housing organizations is linked to a low interest rate over the amortization of their mortgages. Given that mortgage repayment is the largest expense, and the reason for the subsidy over the repayment period, once the mortgage is repaid, the housing organization should remain viable – cash flow requirements will decline significantly. However, it doesn't work that way for urban Aboriginal housing providers; due to their use of the rent-g geared-to-income formula (rents are fixed at roughly 25 percent of tenants' incomes) at a deeper subsidy, they have lower rent revenues. In 2007, 17 Kinew units came off subsidy. By 2008, that number will have increased by 83 units, and by 2010, half of Kinew's units will

be off subsidy, meaning that Kinew will need to charge its tenants higher (market) rents. Tenants on social assistance will go from paying \$295 a month to paying roughly \$500 a month.

Reports commissioned by the Canadian Housing and Renewal Association on the future of social housing after subsidy (operating) agreements expire note specifically that, with few exceptions, Aboriginal housing organizations will not remain viable as social housing providers unless new subsidy is extended to them (Connelly Consulting Services 2003; Pomeroy 2006). The Off-Reserve Aboriginal Housing Trust funds allocated to the Province of Manitoba will be used mostly for building new housing stock, although the number of units is still uncertain. At least some of the success – and probably a significant measure of it – that Kinew has enjoyed in adapting to a new and often competitive policy environment is due to the fact that its manager, who has been with the organization since its early years, has acquired a great deal of expertise and won much respect within the Manitoba housing and social services community.

Lu'ma Native Housing Society, Vancouver

Vancouver's Lu'ma Native Housing Society, like most other Aboriginal housing organizations in cities across Canada, began operating under the UNHP and has struggled since 1993 to find ways of delivering new social housing that meets the needs and fulfills the aspirations of the Aboriginal community.

Lu'ma ("new beginnings" in Coast Salish) operates about 325 subsidized rental housing units and is the city's oldest Aboriginal housing society – it was incorporated in 1980 under the name Vancouver Indian Centre Housing Society. About 95 percent of its units were developed under the UNHP; the other 5 percent were developed under a British Columbia Housing program. Since 1993, Lu'ma has developed 50 new units, including the Art Zoccole Aboriginal Patients' Lodge, opened in 2004. The lodge was a response to the need expressed in the Aboriginal community for a supportive living environment for permanent residents and those in Vancouver temporarily for medical care. The furnished family units are complemented by a large common room on the ground floor. The building was designed by Nisga'a architect Patrick R. Stewart to reflect Aboriginal cultural elements. Services include resident transportation, daycare and housekeeping; there is also a lodge coordinator (Stewart 2007). This project was the prod-

uct of a partnership between a number of agencies and funders, including several First Nations, the City of Vancouver, the Governments of Canada and British Columbia, several charities and philanthropic organizations and, primarily, the BC Women's Hospital and Health Centre.

In 2000, Lu'ma was granted the authority by the federal government and the Vancouver Aboriginal community to administer federal homelessness programming in Metro Vancouver. Lu'ma is the community entity for an Aboriginal homelessness steering committee comprised of over 20 Aboriginal service-provider organizations that cater to those who are homeless or at-risk of becoming homeless.

It has also extended its reach beyond its own social housing portfolio to provide property management services to BC Housing for an Aboriginal youth housing project and to act as a commercial landlord for other Vancouver Aboriginal organizations. Lu'ma has ventured into the commercial market in an attempt to become sustainable, given that operating subsidies are no longer offered by the federal government. Lu'ma is pursuing new projects to develop assisted home-ownership options for tenants who have exhibited the desire and potential to make the transition to that tenure type. Partnering with the Aboriginal Mother Centre Society, Lu'ma is also engaged in trying to complete the housing spectrum from emergency shelter units for the homeless, to transitional units, to social rental housing, to assisted home ownership. Proposals have been developed for 10 shelter units, 10 units of transitional housing, 10 units of social housing, and 20 units of assisted ownership and a variety of additional services and supports, like a food bank, a clothing exchange, daycare, retail space and a social enterprise centre.

With its full spectrum of tenure types built on a foundation of common cultural and social supports, Lu'ma aspires to see its clientele move from homelessness to home ownership in a supportive environment. It is several years into a large-scale project with numerous Aboriginal and non-Aboriginal partners to create a housing development in Vancouver that would include homes for Aboriginal foster children and families. The Aboriginal Children's Village is conceived as a mixed-use, family-oriented site with over 20 units of apartment-style dwellings, office and retail space, and an Aboriginal longhouse for cultural uses.

Lu'ma has responded to the post-1993 operating environment by pursuing partnerships with other organizations; by undertaking revenue-generating

projects such as contracting out its services as a property manager; and by seeking new sources of funding for the soft services that sustain community and culture in the housing process. It is also offering assisted ownership options to Aboriginal households. While Lu'ma sees the 2007 competitive proposal call by the Off-Reserve Aboriginal Housing Trust as an important source of funding for its new housing development plans,¹ one challenge it faces in the post-1993 period is the relative scarcity of the financial resources required to meet the growing need for social housing in the Aboriginal community. The financial resources allocated to British Columbia under the trust are not substantial – they will scarcely make a dent in the roughly 5,000 names on Vancouver waiting lists for Aboriginal housing. A second challenge for Lu'ma is to find a way to continue subsidizing existing units after the expiration of its operating agreements with the CMHC, which have set rents at 25 to 27 percent of household income. In 2006, operating agreements expired on about 10 Lu'ma units; in 2007, about 10 more will expire, and the number will continue to grow. Lu'ma has had to respond by charging rents on these units that match normal market rents for comparable private sector units in comparable parts of the city.

A third challenge is that proposal development times under the OHT are short; there are only a few weeks between call and deadline. Proposal development funds are not provided upfront as part of the OHT administration budget, making it difficult for applicants to find qualified people to give technical assistance in drafting the proposals. Community groups may learn how to be more resourceful as they compete for scarce funds, but the situation lets governments off the hook. The pressure on the state to develop a clear set of strategies to eradicate homelessness and to ensure adequate and affordable housing for citizens is alleviated. A large part of Lu'ma's success (like that of Kinew, in Winnipeg) in adapting to the changing policy environment is attributable to its chief executive officer, architect Patrick R. Stewart, and the organization's professional affiliates. They have an impressive track record in Vancouver and throughout BC, and they have built a reputation for being innovative and visionary. The importance of such leadership capacity cannot be understated in a competitive urban policy environment.

Corporation Waskahegen, Quebec

Since 1972, Corporation Waskahegen (which means "shelter" or "house" in Algonquin) has been managing and delivering social housing and related services and

supports to Aboriginal people living off-reserve. It is a service organization for the Native Alliance of Quebec. Its mandate derives from the alliance, and it works under a self-management agreement with the Société d'habitation du Québec. This relationship makes Waskahegen the primary social housing body for a potential clientele of approximately 26,000 First Nations and Métis people living off-reserve in six regions of the province. Waskahegen manages about 1,100 social housing units built under the UNHP, plus approximately 775 units developed under the Rural and Native Housing Program and 137 under other operating agreements.

While it is the province's central self-governing Aboriginal housing organization, Corporation Waskahegen has expanded its role over the years. It also delivers, among other things, architectural and construction project management services, and employment and economic development programs. It has diversified its range of roles and responsibilities to reflect its belief that housing is a key element of an interrelated set of policy sectors that impact on people's quality of life. Corporation Waskahegen is the largest, oldest and most well-established (though not the only) provincial self-government organization in Canada's off-reserve Aboriginal housing sector.

Relatively few housing units have been built under programs such as the AHL and the OHT. For example, only eight new units were built by Waskahegen under the AHL, and the money transferred to the Province of Quebec under the OHT initiative has not been used by or allocated to Corporation Waskahegen to build new housing. At the time of writing, the \$38.2 million in OHT funds allocated to Quebec had been in the provincial treasury for several months (a reference to the OHT is made in the province's 2008-09 budget plan, in a table based on the schedule of federal transfers). At the August 2007 Katimajit Conference, held in Nunavik, the Government of Quebec announced that it would invest an additional \$25 million to build 50 housing units in Nunavik, but it did not indicate whether those funds would come from the OHT.² Notwithstanding this announcement for Nunavik, Waskahegen needs an additional 1,500 units of social housing in order to meet the demand.

As they are in other parts of the country, operating agreements in Quebec on units developed under the UNHP are expiring, and with them the rent subsidies to those most in need of adequate and affordable housing. Despite Corporation Waskahegen's status as one of the country's oldest and best-established

provincial Aboriginal housing organizations with a self-governing mandate, and despite the fact that it has a well-developed leadership, it is not benefiting to any great extent from new affordable housing policy frameworks since 2001.

Métis Urban Housing Association of Saskatchewan

The Métis Urban Housing Association of Saskatchewan (MUHAS) was established in 1992 to address common housing policy and program issues affecting its members – six independently owned and operated Métis housing corporations. In this way, it is very different from Waskahegen, a corporation that owns units across the province. In 1997, the Government of Canada, through the CMHC, implemented an agreement with the Province of Saskatchewan to transfer existing social housing from the federal to the provincial government; the Saskatchewan Housing Corporation (SHC) became the provincial agency responsible for delivering the housing. Shortly thereafter, the SHC became an associate member of the MUHAS. At this time of historic change in the social housing sector, the MUHAS articulated a vision of self-government in relation to the downloaded UNHP stock, which represented a large portion of the social housing portfolio that had been shifted to the province. Over a period of two years, the SHC and the MUHAS met several times to discuss common program issues and the need for a new operating agreement – one less cumbersome than that passed down from the CMHC. An agreement was worked out between SHC and MUHAS member housing organizations whereby Aboriginal urban housing would be placed under the relatively autonomous control of the organizations' boards. Over a period of about 30 months, between 1998 and 2001, the SHC and the MUHAS conducted negotiations on that agreement. Each MUHAS member corporation signed a separate agreement, but they were virtually identical. The MUHAS, rather than acting as a self-governing body on the provincial level (like Corporation Waskahegen in Quebec), has continued to serve as a collective interest and advocacy organization.

Under the Métis urban social housing agreements, member corporations have greater autonomy, administrative flexibility and decision-making powers than they did under the CMHC agreements. For example, they have been able to negotiate new mortgage terms with lower rates, banking the savings to build a reserve fund for maintenance, new building and asso-

ciated services. Their operating agreements with the CMHC had required them to transfer any savings back to the province. Maintenance decisions and annual budgets do not need SHC approval, as they did under previous federal agreements; instead, each corporation submits a cash-flow proposal stating how it wishes to receive its yearly subsidy allocation. Annual audits are still required by the province. Individual housing organizations, through their boards of directors, are otherwise able to govern their operations within the parameters of the agreement reached in 2001. Since organizations are able to bank savings achieved through operational efficiencies like finding better rates on work and maintenance, there is an incentive to reduce costs in order to build financial capital for new projects. The agreement ensures, however, that resources are dedicated to housing and related services.

Under the OHT agreement between Canada and Saskatchewan, the SHC must administer calls for proposals, although an agreement has been reached between the SHC and the MUHAS that the Métis pool of funding will go to MUHAS member organizations based on their existing portfolio sizes. The trust allocation is split by the SHC into three funding pools: Métis organizations; First Nations organizations; and the province – that is, the SHC itself – for proposals targeting Aboriginal peoples. Capital improvements to existing housing stock will be the focus of Métis applications to the OHT, although proposals for building new units can be considered for provincial funding. Review committees made up of Métis, First Nations and SHC representatives will advise on the allocation of funds from the provincial pool for building new units.

As they are elsewhere in Canada, units of existing urban Aboriginal housing are gradually coming off subsidy in Saskatchewan. When this occurs, rents rise above the rate of 25 to 30 percent of income to match rents for comparable units in the private market. Each housing organization determines its rate, however, and the goal will still be to provide housing that is on the affordable side of market rents in each city. As one Métis housing manager noted, units coming off subsidy rise from a rent of \$300 a month with a utility allowance of \$50 per household, to \$400 without a utility allowance. This increase will compel those most in need of assistance to search for housing elsewhere – housing that is likely to be not adequate or suitable to their needs.

The working relationship between the MUHAS and

the SHC is considered by both parties to be very strong and a considerable improvement over the arrangements that existed prior to the transfer of administrative responsibility for social housing from the federal government to the Province of Saskatchewan. The choice made by the MUHAS with the SHC to use the OHT funding to make capital improvements to existing stock shows the flexibility in implementation planning from province to province. Recall that the Government of Manitoba with its Aboriginal housing stakeholders decided to use the OHT funds for building new stock. New stock is the priority in BC, as well.

The Lu'ma and Kinew cases examined earlier are fine examples of strong local capacity for innovation and leadership, for creating a track record and for advancing quality of life in urban areas on Aboriginal people's own terms, but in both cases there have been insufficient financial resources to build more than a handful of new housing units. Lu'ma is aggressively pursuing its goal to offer a spectrum of services and programs, ranging from shelters for the homeless and supports to assisted home-ownership opportunities for Aboriginal households, as well as a variety of other services and programs to improve urban quality of life. The organization has also taken on projects such as property management for other clients. Corporation Waskahegen undertakes construction management and offers architectural services to expand its resource base and viability. Increases in housing stock to close the gap between need and availability will nonetheless require significant government investment. The ingenuity of these organizations needs government support.

Conclusion

Aboriginal housing organizations, at both the local and provincial levels, have demonstrated over the past 15 years that they are able to respond innovatively and reliably to the challenges presented by a new housing policy environment. Government financial allocations to low-cost housing (for example, the AHL and the OHT) during this period have not been adequately resourced or directed toward a coherent goal- and target-oriented national social housing program. This has stifled the ability of Aboriginal housing organizations to realize the full potential of their program ingenuity or match their activities to the needs of their communities. Looking at the Saskatchewan and Quebec cases, for example, it is

unclear what the federal government will achieve with its OHT funds. In Saskatchewan, they are primarily directed toward improving and maintaining units built under past programs, such as the UNHP. In Quebec, as I have mentioned, the funding at the time of writing had been in the provincial treasury for several months, and no clear indication had been given as to how it would be used for Aboriginal housing – with the exception of the announcement that 50 units will be built in Nunavik, but the funding source for that project was not specifically identified as the OHT. The Saskatchewan and Quebec cases contrast sharply with earlier cases; in the previous era, Aboriginal housing programs had annual building targets for new units, even though target numbers dwindled through the 1980s and early 1990s. In Manitoba and British Columbia, however, the OHT will be used to build new units of Aboriginal housing off-reserve. The number of units will be small, given the total amount of funding, and it is unclear how the program will address the imbalance between need (thousands on waiting lists) and response (short-term financial contribution without targets). All the provinces examined in this report have well-developed capacity in their urban Aboriginal housing sectors. It is still, however, the responsibility of the state to create clear goals and targets for the development of new housing units to meet the needs of Aboriginal urban residents. It has not done so with the OHT.

The pairing of a social investment state with an active civil society in order to achieve housing goals might work effectively in the future (Giddens 1998; Jenson and Saint-Martin 2003), but it will be necessary for the state to provide sufficient financial resources and maintain a coherent national vision based on equity and redistribution among citizens. When the state takes these actions, then the creative and promising advances that are being made at the local level by Aboriginal housing organizations will increase in scale. Governments must provide the policy and resources Aboriginal housing organizations need to build social housing that improves quality of life on Aboriginal people's own terms – a task that these organizations are far better suited for than government bureaucracies. However, without clearly articulated state social goals and long-term financial commitments, Aboriginal housing organizations are destined to spend their time filling out applications for short-term competitive financing and trying to find partners to add value to project proposals.

Representatives of Aboriginal housing organizations, academics, community advocates, politicians and government officials will need to perform at least two basic but difficult tasks in order to effect real progress in the urban Aboriginal housing sector: they must articulate and implement a return to common social citizenship goals related to housing for all Canadians; and they must articulate and implement a vision of inclusive citizenship based on the understanding that the key to better outcomes is to ensure Aboriginal self-determination in program design, delivery and evaluation.

Aboriginal housing and other community-based organizations are upholding their end of the bargain in state-society relations around housing. Governments must fulfill their responsibilities to improve quality of life through goal-oriented housing policy, with adequate financial resources over a sufficiently long period of time, to allow the ingenuity of local actors to match the scale of need to response.

Notes

- 1 Project proposals from organizations were adjudicated competitively, and many lost out; in total, more than five times the amount of funding available was requested through these proposals.
- 2 In the section entitled "Accountability and Reporting to Canadians" in *Operating Principles for the Off-Reserve Aboriginal Housing Trust*, no specific requirement is stated for provinces to account to the federal government for how the money is spent: "All governments recognize the importance of being accountable to their residents, including reporting on how public funds are used. Provincial governments are encouraged to report directly to their residents on the expenditures financed and outcomes achieved as a result of funding provided through the Off-Reserve Aboriginal Housing Trust. Provincial governments are also encouraged to acknowledge in public announcements the funding contribution provided by the Government of Canada in respect of housing for Aboriginal Canadians living off-reserve" (Indian and Northern Affairs Canada 2006, 2).

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La présence des organisations d'habitation autochtone en milieu urbain remonte à 1970. Elles ont lutté contre les privations disproportionnées dont souffrent les Autochtones en matière de logement et contre la discrimination dont ils sont victimes dans le secteur du logement tant public que privé, et leur ont procuré des habitations en tenant compte le plus possible de facteurs culturels appropriés dans le contexte des programmes publics de logements sociaux.

La présente étude examine la façon dont ces organisations se sont adaptées à l'évolution du contexte politique. Pour s'attaquer à d'autres aspects de la qualité de vie des Autochtones en milieu urbain, elles ont trouvé des façons innovatrices de réaliser leur mandat, agrandi leur portefeuille d'unités de logement et élargi leur champ d'activité, notamment en mettant en place des programmes de formation à l'emploi, des entreprises sociales et des services de garderie. L'auteur se penche sur quatre études de cas (les sociétés Kinew Housing à Winnipeg et Lu'ma Native Housing à Vancouver, la Corporation Waskahegan au Québec et la Métis Urban Housing Association of Saskatchewan) pour proposer des moyens d'améliorer la politique de l'habitation de façon à relever la qualité de vie des jeunes Autochtones urbains, dont le nombre s'accroît de plus en plus. Le réseau des associations d'habitation autochtone possède des réserves considérables d'aptitudes et de leadership, mais ces organisations ont besoin de l'appui de l'État pour transformer leurs innovations en programmes viables à moyen et à long terme.

Les exemples des sociétés Lu'ma et Kinew servent à illustrer la présence de capacités vigoureuses d'innovation et de leadership au niveau local. Les responsables de ces projets ont montré qu'ils sont capables d'améliorer la qualité de vie en milieu urbain en fonction des propres besoins des Autochtones, mais leurs ressources financières ne leur ont permis de construire qu'un petit nombre d'unités de logement. Par contre, l'association d'habitation métisse de la Saskatchewan et la Corporation Waskahegan, qui relèvent d'organisations provinciales, font preuve d'une grande efficacité et peuvent influencer l'orientation des politiques et des programmes, ce qu'une

association locale serait incapable de faire. Cependant, bien que des ressources additionnelles aient été consacrées au logement autochtone hors réserve en Saskatchewan et au Québec, on ne sait pas dans quelle mesure ces fonds serviront à construire de nouvelles habitations ou seront plutôt affectés à l'entretien du stock de logements actuel.

Au cours des 15 dernières années, les organisations d'habitation autochtone ont fait preuve d'imagination en s'attaquant aux défis soulevés par la réorientation de la politique de logement. Malgré cela, elles n'ont pas pu réaliser tout le potentiel d'ingénuité de leurs programmes, ou même mettre en place des activités répondant entièrement aux besoins des communautés, parce que le financement public ou bien était insuffisant, ou bien n'était pas rattaché à un programme national cohérent axé sur un ensemble précis d'objectifs et de cibles pour le logement social. Il importe que les gouvernements fournissent le cadre politique et les ressources dont ces organisations ont besoin pour construire des logements capables d'améliorer la qualité de vie des Autochtones en fonction de leurs propres besoins. En l'absence d'objectifs sociaux clairement définis et d'engagements financiers à long terme de la part de l'État, les associations de logement autochtone risquent de devoir consacrer une part trop grande de leur temps à solliciter des financements à court terme et à chercher des partenaires capables de renforcer leurs projets.

Les dirigeants des organisations de logement autochtone, les chercheurs universitaires, les leaders communautaires, les politiciens et les représentants du secteur public doivent accomplir deux tâches difficiles mais fondamentales pour marquer des progrès réels dans ce domaine : ils doivent préparer et mettre en œuvre un retour aux objectifs sociaux de la citoyenneté rattachés au droit au logement de tous les Canadiens, et ils doivent définir et mettre en pratique une vision inclusive de la citoyenneté qui stipule que, pour progresser, il faut que les Autochtones puissent contrôler eux-mêmes le contenu et le mode d'exécution des programmes ainsi que l'évaluation des résultats.

Summary

Social Housing and the Role of Aboriginal
Organizations in Canadian Cities
Ryan Walker

Since as early as 1970, Aboriginal housing organizations have been operating in urban areas. They have combatted disproportionate housing hardship, fought discrimination in the private and public housing sectors, and delivered housing in the most culturally appropriate ways possible within the parameters of state social housing programs.

This paper examines how Aboriginal housing organizations have adapted to a changing policy environment. In order to address other aspects of Aboriginal quality of life in an urban setting, they have taken innovative new approaches to their mandates, expanding their housing portfolios and range of activities to include employment training programs, social enterprises and daycare services. This paper draws on four case studies – Kinew Housing in Winnipeg, Lu'ma Native Housing in Vancouver, Corporation Waskahegen in Quebec and the Métis Urban Housing Association of Saskatchewan – to examine the ways in which housing policy could be enhanced to improve the quality of life of young and growing urban Aboriginal communities. There is tremendous capacity and leadership in Canada's network of Aboriginal housing organizations, but these bodies need state support to transform innovations into sustainable programs over the medium to long term.

The Lu'ma and Kinew cases provide examples of a strong local capacity for innovation and leadership; those involved in these projects have shown that they have the ability to advance urban quality of life on Aboriginal people's own terms, but they have not had the financial resources to build more than a handful of new housing units. The Métis and Waskahegen cases, which involve provincial umbrella organizations, provide examples of a strong capacity for efficiency and for influencing the direction of policy and programs – a single organization would be incapable of doing so. Though new resources have been dedicated to off-

reserve Aboriginal housing in Saskatchewan and Quebec, it remains unclear how many new units will be built or whether resources will be directed mostly to maintenance of existing housing stock.

Over the past 15 years, Aboriginal housing organizations have responded innovatively to the challenges presented by the new housing policy environment, but they have been prevented from realizing the full potential of their program ingenuity or even from matching their activities to community needs, because government funding has not been adequately resourced or directed toward a coherent national social housing program that is goal and target oriented. Governments must provide the policy and resources Aboriginal housing organizations need to build social housing that improves quality of life on Aboriginal people's own terms. However, without clearly articulated state social goals and long-term financial commitments, Aboriginal housing organizations are destined to spend too much time filling out applications for short-term financing and trying to find partners to strengthen their projects.

Representatives of Aboriginal housing organizations, academics, community advocates, politicians and government officials will have to perform at least two basic but difficult tasks in order to effect real progress in this sector: they must articulate and implement a return to common social citizenship goals related to housing for all Canadians; and they must articulate and implement a vision of inclusive citizenship based on the understanding that the key to better outcomes is to ensure Aboriginal self-determination in program design and delivery and in the evaluation of outcomes.

IRPP choices

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The Impact of Economic Selection Policy

on Labour Market

Outcomes for Degree-
Qualified Migrants in
Canada and Australia

Lesleyanne Hawthorne

Diversity, Immigration and Integration

IRPP





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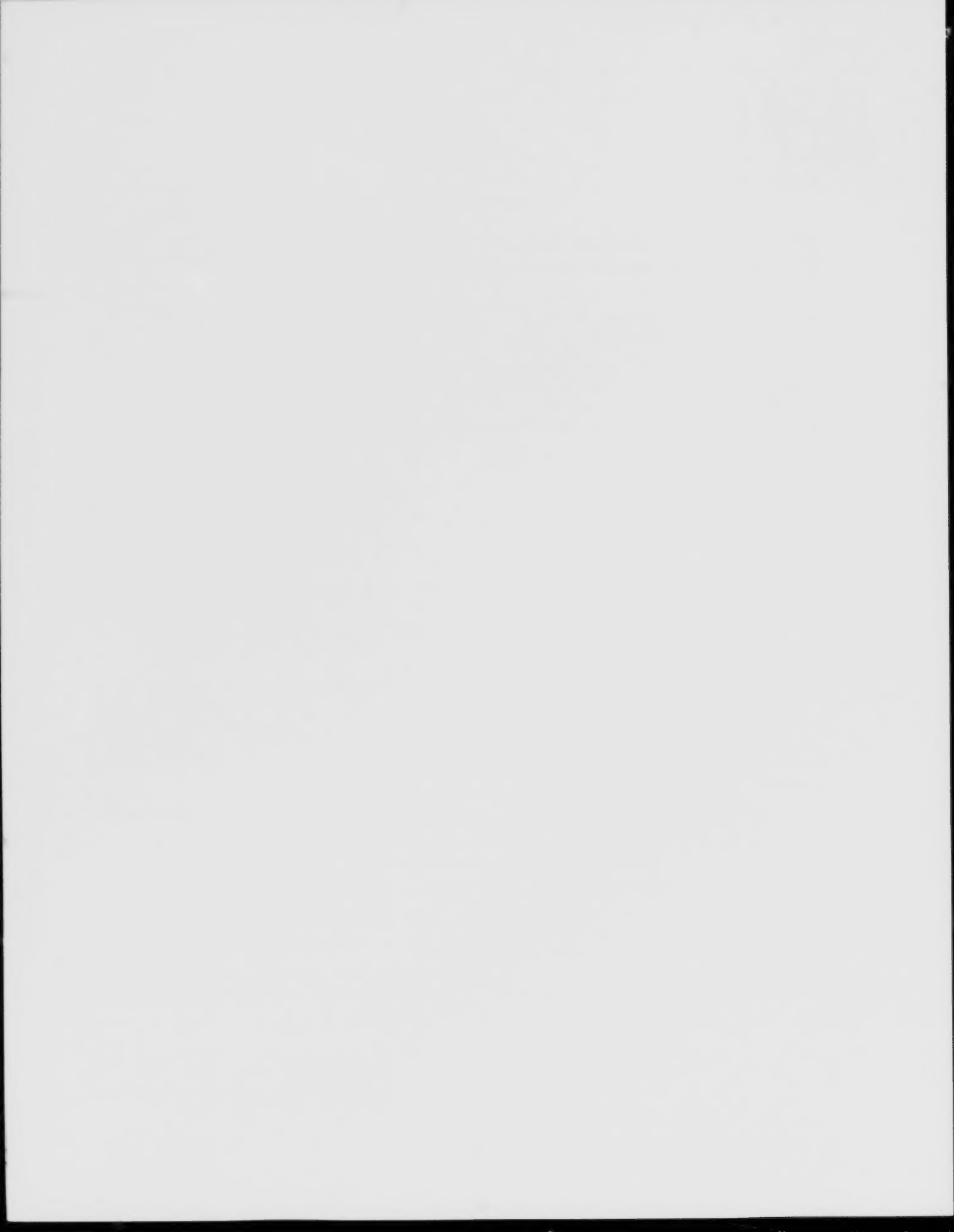
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Diversity, Immigration and Integration / Diversité, immigration et intégration

Research Director / Directrice de recherche
Geneviève Bouchard

This series comprises individual *IRPP Choices* and *IRPP Policy Matters* studies on Canadian immigration policy and its challenges, and also on other countries' immigration and refugee policies. Issues discussed in this research program include the relationship between sovereignty and economic integration, security and border control, and reconciliation of economic and humanitarian objectives.

Cette série comprend des études *Choix IRPP* et *Enjeux publics IRPP* qui portent sur la politique canadienne d'immigration et ses nouveaux défis, mais également sur les différentes politiques d'immigration et de protection de réfugiés partout au monde. Les questions abordées dans ce programme de recherche touchent aux rapports entre souveraineté et intégration économique, sécurité et contrôle des frontières, conciliation des objectifs économiques et humanitaires.

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The Impact of Economic Selection Policy on Labour Market Outcomes for Degree-Qualified Migrants in Canada and Australia*

Lesleyanne Hawthorne

The Policy Context Economic migration trends

Global migration is a defining phenomenon of the early twenty-first century. Migration embraces every category of people – skilled and unskilled, family member and refugee, legal and illegal, permanent and temporary. Temporary people movement is rising markedly. The relative accessibility of one immigrant-receiving country may lower the number of immigrants seeking to enter another. Given the dynamism of these trends, the few nations with active¹ immigration programs are constantly obliged to modify their entry policies, while encountering “difficulties in harnessing their immigration programs to achieve diverse and often incompatible policy goals...to utilise immigration selection procedures to ensure positive outcomes in a diverse range of policy areas: economic development, human resource development, population and foreign affairs” (Stahl, Ball, Inglis and Gutman 1993, xiv).

Canada and Australia are global exemplars of nation building through government planned and administered economic, family and humanitarian migration programs. By 2005, Australia had the world's highest percentage of foreign-born residents (24.6 percent of the population, representing over 240 nationalities), followed by Canada at 19.2 percent and the United States at 11.7 percent (Miller 2005). Over the past decade, both Canada and Australia have placed extraordinary emphasis on the recruitment of migrants with skills (Organisation for Economic Co-operation and Development [OECD] 2006, 2008). In 2004, Canada selected 133,746 people in the economic category – in particular, it took substantial numbers of points-tested principal applicants (PAs) qualified in the professions. Skilled migrants

* This IRPP Choices is an abridged, revised and updated version of a study commissioned by Statistics Canada, Citizenship and Immigration Canada, and Human Resources and Social Development Canada, entitled “Labour Market Outcomes for Migrant Professionals: Canada and Australia Compared” (Hawthorne 2007a). Like all papers in the series, it has been peer reviewed by two anonymous referees.

constituted 59.6 percent of the total planned intake (224,346 people) at this time, far exceeding the targets set for family (51,500 to 56,800) and humanitarian (30,800 to 33,800) entrants. By 2005, the number of economic migrants to Canada had risen to 156,310 (counting business immigrants and provincial/territorial nominees), and an estimated 138,193 were due to arrive in 2006 (Cardozo and Guilfoyle 2007; Citizenship and Immigration Canada 2007). The proportion of economic migrants selected by Australia in 2004-05 was virtually identical to that selected by Canada (58 percent), including 77,800 applicants out of a permanent migrant/humanitarian intake of 133,000 people.

Australia's preference for economic migrants has remained dynamic, with targets of 97,500 achieved for 2005-06 and 2006-07, and 102,500 set for 2007-08 – the largest in the country's history (Birrell, Hawthorne and Richardson 2006; Australia, Department of Immigration and Citizenship 2007a, 2008). Canada's current immigration program allocates 138,257 places for economic migrants out of a total annual quota of 240,000 to 265,000 (reduced to about 57 percent), including 67,000 places for skilled workers, 22,000 for provincial nominees and up to 12,000 for those in the new Canadian Experience Class (Mamann 2007). It is important to note here the decreasing proportion of landed immigrants derived from OECD nations by both countries, a trend associated with the growing problem of overqualification (OECD 2008).³

In March 2007, Canada's first release of 2006 Census data confirmed the significance of migration to the country's population growth and economic development in a context where "[i]mmigration and an unprecedented economic boom in Alberta fuelled a population surge in the country that outpaced every other G8 industrialized nation from 2001 to 2006, including the United States" (Weeks and Leong 2007, 1). Between 2001 and 2006, Canada's population grew by 1.6 million, despite a declining fertility rate of 1.5 – close to two-thirds of this a consequence of recent migration. The impact of migration flows was striking in Toronto, Montreal, Vancouver and to a lesser extent Calgary, with 90 percent of all national growth concentrated in cities (O'Neil 2007). According to Brean,

Of the 1.2 million international immigrants over the five year census period, fully half went to Ontario. Roughly 44% of immigrants to Canada are female, a proportion that has been increasing by about one percentage point a year. The 10 largest source countries

are, in order: China, India, Philippines, Pakistan, United States, Colombia, United Kingdom, South Korea, Iran and France...Canada plans to admit between 240,000 and 265,000 immigrants in 2007. Of those about 60% are to be economic class, meaning skilled workers, 25% family class, and 15% protected persons. (2007, A4)

Differences in Canadian and Australian economic migration policy, 1999 to the present

Within this context, Canada competes for economic migrants with Australia and other Western nations, as well as with select parts of Africa, Asia and the Gulf States. In the recent period, to address the needs of their knowledge economies, Canada and Australia have:

- Prioritized economic migration
- Diversified immigrant source countries and skill levels
- Utilized points systems designed to improve selection objectivity while maximizing employment outcomes
- Strengthened regional initiatives to encourage more geographically dispersed settlement patterns through policy input and expanded settlement options
- Enhanced scope for two-step migration (the transition from temporary to permanent status)
- Attempted to minimize program abuse through the introduction of more coherent and transparent selection systems

While both Canada and Australia use points-based selection criteria designed to support economic category development and growth (based on a system devised by Canada in the 1970s), it is essential to note the sharp divergence in the strategies used that has emerged in the past decade. According to a recent paper,

The human capital model...has dominated Canada's selection of skilled migrants – endorsed in its most recent migration review (2002), and standing in sharp contrast to Australia's intensification of screening for select employment attributes. While education level matters for principal applicants, field and place of qualification do not, in a context where labour market demand is seen as hard to predict and 'individuals can expect to have several careers over their working lives.' According to Hiebert (2006) the prevailing Canadian view is that 'well-trained flexible individuals...who have experience in the labour force' should be able to 'adapt to rapidly changing labour market circumstances.' In consequence 'general' rather than 'specific' competence is sought – Canadian selection criteria admitting PAs with limited host country language skills, non-recognised qualifications, and in fields of minimal labour market demand on an equal basis to those with more immediately sought after attributes. (Birrell, Hawthorne and Richardson 2006; 130-1)

While Canada's *Immigration and Refugee Protection Act, 2002* (IRPA) heralded economic selection changes, in the view of a number of senior Canadian officials interviewed for this study it represented a lost opportunity to re-examine the fundamentals and grapple with global realities (though views do vary on this). Key IRPA modifications included:

- Heavier weighting for educational qualifications (to a maximum of 25 points), with years of schooling taken into account and several bonus points for doctoral-level degrees
- Reduced points for work experience (a measure designed to encourage the entry of recent tertiary-educated graduates)
- Increased points for host-country language ability
- Extension of the age range for which points are awarded (up to age 53)
- Modest capacity for temporary entrants to shift to permanent resident status in the context of a clear preference for permanent migration (Citizenship and Immigration Canada 2002)

Despite such innovations, after the IRPA all foreign credentials were still treated as equal to each other for selection purposes – the certainty of differential recognition rates in Canada notwithstanding (OECD 2007; Kustec, Thompson and Li 2007). There was no mandatory requirement for host-country language testing or defined levels of English/French competency, with self-assessment by applicants still allowed. Substantial points were still allocated to work experience (close to one-third of the total required), despite research evidence confirming “very substantial decline in the economic return to pre-Canadian labour market experience” (particularly when gained in non-OECD nations) (Sweetman 2004, 8; OECD 2008; Aydemir and Skuterud 2005). For a comprehensive comparison of Canada's and Australia's points systems in 2005, see the appendix, which also includes further details of the selection criteria of the United Kingdom and New Zealand.

Over the past 10 years, Australia, in marked contrast to Canada, has largely abandoned the human capital model for selecting economic migrants (though some vestiges remain). From 1980 to 1996, researchers had consistently identified inferior labour market outcomes for professionals from non-English-speaking-background (NESB) source countries. Between 1986 and 1991, 91,193 degree-qualified migrant professionals arrived in Australia, in addition to the 39,239 migrants who arrived with diplomas.

By 1991, the overseas-born constituted 49 percent of Australia's mechanical engineers, 48 percent of its electrical/electronic engineers, 43 percent of its computer professionals and 40 percent of its doctors – and the proportions in other key professions were rising. Within one to five years of arrival, however, just 30 percent of these degree-qualified migrants were employed; few diploma holders from the same migration period found work in any profession (Birrell and Hawthorne 1997). Labour market outcomes remained disappointing for many migrants long settled in Australia: just 41 percent of 1981-85 and 49 percent of 1986-91 degree-qualified arrivals found professional work, and NESB workers were invariably disadvantaged.

The election of Australia's Liberal government under John Howard in 1996 coincided with a profound selection policy shift from altruism to pragmatism (Hawthorne 2005). While Australia's family and humanitarian migration intakes were endorsed for serving broad social purposes, high and persistent unemployment among recently arrived skilled migrants was perceived to undermine the effectiveness of the economic migration program – one explicitly devised in 1988 to support Australia's economic development (Committee to Advise on Australia's Immigration Policy 1988).

Jettisoning the former Labor government's strategy as “out of balance and out of control,” the incoming government aimed to “return the balance in the program to one that is in the national interest.” In stating its determination to change economic selection, the Department of Immigration and Multicultural Affairs defined six key attributes that make “a good skill[ed] applicant,” most notably, “obtaining a job soon after arrival that uses their skills...becom[ing] quickly established...not requir[ing] benefits,” while “quickly mak[ing] a positive contribution to the Australian economy, labour market and budget” (Ruddock 1996, 1).

From 1996 to 1999, Australia's Department of Immigration and Multicultural Affairs systematically reviewed and transformed its economic selection process, abolishing social security benefits for migrants in the first two years after their arrival and actively “selecting for success” from among principal applicants. Following a preliminary audit conducted in 1997-98, the department initiated a major review to evaluate the effectiveness of the points test (Australia, Department of Immigration and Multicultural Affairs 1999, vii). In the decade since,

Australia has sought early and positive employment integration rates from the program – given that results at six months are strongly correlated with long-term labour market performance (Birrell, Hawthorne and Richardson 2006). To facilitate this process, the review drew on two definitive databases: the Longitudinal Survey of Immigrants to Australia (LSIA) (based on a representative sample of 5 percent of migrants/refugees from successive cohorts of 1990s migration); and a comparative analysis of employment outcomes for migrant professionals from a variety of countries/regions of origin (based on 1996 Census data).

In line with the review's findings, since 1999 an increasing number of principal applicants at perceived risk of delayed or deskilled employment in Australia have been excluded from economic migration at point of entry through rigorous expansion of premigration English-language testing (extended to family-skill categories), mandatory credential assessment and a range of additional modifications to the points selection process. Key Australian policy initiatives have included:

- Allocation of greatest points weighting to "the core employability factors of skill, age and English language ability" based on the establishment of "minimum threshold standards" for each of these aspects (Australia, Department of Immigration and Multicultural Affairs 1999, 12)
- Additional points weighting for occupations in demand, along with degree-level qualifications related to specific (rather than generic) professional fields
- Allocation of bonus points for former international students with credentials recently completed in Australia (a minimum of one and subsequently two years)
- Abolition of age-related points for applicants aged 45 and over and English-language points for applicants possessing less than "vocational" levels of English
- Allocation of further bonus points for those with recent continuous Australian or international experience in a professional field, for those with a "genuine job offer" in an occupation in demand, for those with a spouse satisfying economic application criteria, for those bringing "a high level of capital with them to Australia" (AUD\$100,000 or more) and for those sponsored by close Australia-based relatives (Australia, Department of Immigration and Multicultural Affairs 1999)

Australia's recently completed 2005-06 economic migration review (the most extensive since 1988) has confirmed the effectiveness of these policy initiatives in delivering superior labour market outcomes (Birrell, Hawthorne and Richardson 2006). To fine-tune the program further, additional measures were introduced (starting in September 2007) related to enhanced English-language ability, level of domestic labour market demand and work experience of former international students (who, by 2005, constituted 52 percent of economic migrants).

Comparative economic migration labour market outcomes: recent data

How do the results of Australia's decisive economic migration policy change compare with the outcomes of Canada's human capital selection model? A decade ago, labour market integration rates for economic migrants to Canada and Australia were virtually identical: about 60 percent of principal applicants secured some form of work six months after their arrival. Since then, Australia's outcomes have dramatically improved while Canada's have stood still. This is despite the near-identical economic cycles of the two countries, and the fact that they are equivalent settlement sites for degree-qualified migrants across all immigration categories (economic, family and humanitarian), as demonstrated by the 2001 Census analysis.

Major gains have been achieved in Australia by traditionally disadvantaged groups. Employment rates within six months of arrival for principal applicants from Eastern Europe rose from 31 percent to 79 percent between 1993-95 and 1999-2000, compared to 57 to 76 percent for migrants from the Philippines, 56 to 73 percent for those from India and 45 to 61 percent for those from China. The negative impacts of older age and female gender have been greatly reduced. According to the most recent available data (May 2006), 83 percent of principal economic applicants are now employed in Australia within six months of arrival, with 60 percent immediately using their credentials and skills. Their salary levels have risen astronomically. Their average weekly wage is now AUD\$1,015, compared to AUD\$769 for Australian graduates in their first full-time job (Birrell, Hawthorne and Richardson 2006).

In Canada, by contrast, wage outcomes have worsened to the point where it may take 20 to 30 years for principal economic applicants to achieve parity (if they ever do) with comparably qualified Canadians (Frenette, Green and Picot 2004; Pendakur and

Pendakur 1998, 2004; Reitz 2004; Aydemir and Skuterud 2005). As summarized in a recent study, economic migration is newly associated with entrenched disadvantage: "[B]y the early 2000s, skilled class entering immigrants [to Canada] were actually more likely to enter low-income and be in chronic low-income than their family class counterparts, and the small advantage that the university educated entering immigrants had over, say, the high school educated in the early 1990s had largely disappeared by 2000, as the number of highly educated rose. What did change was the face of the chronically poor immigrant; by the late 1990s one-half were in the skilled economic class, and 41% had degrees (up from 13% in the early 1990s)" (Picot, Hou and Coulombe 2007, 5-6).

This study investigates a range of data relevant to this issue. The research was based on the following definitive Canadian and Australian data sets and supported by extended interviews with 32 key Canadian informants:⁴

- Immigration arrival statistics for degree-qualified migrants in 10 professional fields – allowing definition of the scale of inflows of skilled migrants to Canada and Australia within the economic and assisted family streams, compared to all other immigration categories
- 2001 Census data – allowing analysis of the extent to which Canada and Australia offer similar employment opportunities for degree-qualified migrants (across all immigration categories), as well as the factors associated with positive versus negative labour market outcomes⁵
- The Longitudinal Survey on Immigrants to Canada (LSIC), the Immigration Database (IMDB) and the Longitudinal Survey on Immigrants to Australia (LSIA) data – allowing comparison of labour market integration rates for points-tested economic principal applicants between 1994-95 and 2000-01 in order to assess the influence of Canadian and Australian policy differences on labour market outcomes (the latest Australian LSIA data, to May 2006, is also provided)

The study focuses on recent immigrants with degree- rather than diploma-level credentials. In analyzing their labour market experiences, it is important to affirm that Canada and Australia have had remarkably similar economic cycles in the past decade. While the average annual growth in real gross domestic product from 1991 to 1996 was 1.7 percent for Canada compared to 3.0 percent for

Australia, from 1996 to 2001 it was 3.8 percent for Canada compared to 3.9 percent for Australia. In the course of the decade, real GDP rose annually on average by almost identical rates in each country (2.8 percent in Canada; 2.7 percent in Australia). From 1996 to 2001, 69.5 percent of Canada's population was employed, compared to 69 percent of Australia's, with an average annual employment growth of about 0.2 to 0.3 percent in each country. Unemployment rates were also similar: Canada averaged 8.1 percent; Australia averaged 7.4 percent. Such comparability provides an excellent base for a contrasting policy study. According to Richardson and Lester, from an economic perspective, Australia and Canada "look very alike": "Whereas Australia's economy did perform well during the decade to 2001, it was only during the 1991-1996 period that Australia's growth was superior to that of Canada. During the 1996-2001 period, during which migrants [included in both countries' longitudinal and census surveys] arrived and were looking for employment, both economies performed equally well. Thus [any] superior labour force performance of migrants to Australia...cannot be explained simply in terms of economic performance" (2004, 10).

I should briefly note four additional methodological issues here:

- While the findings of this study shed light on important policy choices, the terms of reference of the initial report on which it is based did not extend to policy recommendations on economic migration, which therefore cannot be provided here.
- Employment outcomes rather than earnings levels are the primary focus of the analysis to follow, given that the former are the measure more commonly used in Australia.
- In line with census and LSIC/LSIA practice, the International Labour Organization's (ILO) definition of "employment" was used throughout, except in relation to Australia's LSIA 3 outcomes (where "main activity" rather than the more generous ILO definition of employment was used to assess the proportion of newly arrived migrants in significant work).⁶
- Careful categorization at the start of the study ensured direct comparability of degree- and diploma-level qualifications between Canada and Australia,⁷ as well as field of qualification and level of employment, based on expert advice from Statistics Canada.

Canada's and Australia's Selection of Degree-Qualified Migrants

Recent migration in the professions: landed immigrants

The past decade has seen a vast inflow of degree-qualified professionals to both Canada and Australia with credential levels far exceeding those of previous cohorts. From 1996 to 2001, 37 percent of all migrants to Canada possessed degrees, compared to 21 percent of pre-1991 arrivals and 22 percent of 1991-96 arrivals. The credential level of these intakes surpassed that of migrants to Australia, where 26 percent of 1996-2001 arrivals held degrees, compared to 17 percent of pre-1991 migrants and 24 percent of 1991-96 migrants.

In terms of numbers, by the time of the 2001 Census, Canada's population included 978,139 degree-qualified migrants and 758,589 migrants with post-

secondary diplomas or certificates, compared to Australia's 570,905 degree-qualified migrants and 270,183 diploma-qualified migrants. From 1996 to 2001, newly arrived migrants were more than twice as likely as the Canadian-born to be degree-qualified (37 percent compared to 15 percent). Similar patterns were evident in Australia (26 percent compared to 14 percent), and the trend was appearing in a growing number of OECD nations (OECD 2006, 2008) (see tables 1a and 1b).

This credential superiority of recent migrants in relation to the native-born applied to women as well as men. Male migrants to Canada were far more qualified than females (41 percent of males held degrees, compared to 33 percent of females); but both genders exceeded the credential norm of the Canadian-born (15 percent of Canadian-born males held degrees, compared to 16 percent of females). In Australia, by contrast, recently arrived females were virtually identical in terms of education levels to migrant males (25 percent of

Table 1a
Educational Attainment¹ among Canadian- and Foreign-Born Adults,² by Period of Arrival, 2001 (percent)

	Period of arrival	Degree/higher degree	Post-secondary diploma or certificate	Post-secondary, no diploma or certificate	High school or less	All (N)
Canadian-born		15.0	19.0	20.1	46.0	16,009,426
Foreign-born	Before 1991	20.8	19.9	18.7	40.7	2,657,064
	1991-96	22.1	17.1	18.5	42.3	719,443
	1996-2001	36.6	14.9	14.2	34.3	726,880
Foreign-born total		23.8	18.5	17.9	39.8	4,103,387
Total						20,112,811

Source: 2001 Census (Canada).

¹ Includes those with a bachelor's or a higher degree.

² Includes adults aged 15 to 64.

³ Includes those born outside Canada to Canadian parents.

⁴ Excludes nonpermanent residents (employment authorization, student authorization, minister's permit or refugee claimants).

Table 1b
Educational Attainment among Australian- and Foreign-Born Adults,¹ by Period of Arrival, 2001 (percent)

	Period of arrival	Degree/higher degree	Diploma/advanced diploma/certificate IV	Skilled vocational	Other	All (N)
Australian-born		13.7	7.6	13.3	65.4	8,765,927
Foreign-born	Before 1991	16.6	8.5	13.1	61.8	2,231,809
	1991-96	23.9	9.3	8.6	58.2	308,835
	1996-2001	26.1	10.6	7.2	56.1	483,700
Foreign-born total		18.9	8.9	11.7	60.5	3,024,344
Total						11,790,271

Source: 2001 Census (Australia).

¹ Includes adults aged 15 to 64.

² Excludes those for whom birthplace or year of arrival is unknown.

females and 27 percent of males held degrees). (As we shall see, the gender of skilled migrants is an issue with significant employment ramifications.)

The recent sustained entry of tertiary-qualified migrants has a clear potential to impact the professions in Canada and Australia. To inform future policy formation, the current study assessed factors associated with greater or lesser rates of economic integration for degree-qualified migrants in seven vocational fields (including virtually all of the major regulatory professions in Canada and Australia as well as information technology):

- Information technology (IT)
- Engineering

- Architecture and building
- Medicine
- Nursing
- Teacher, education
- Accounting

For contrastive purposes, employment outcomes for migrants were also examined in three generic credential fields, since there is strong representation of these in contemporary migration flows: rest of management, commerce; society and culture, creative arts; natural and physical sciences.

By 2001, Canada and Australia were home to very high proportions of foreign-born professionals in all 10 qualification fields, constituting approximately

Table 2a
Canadian- and Foreign-Born Professional¹ Workforce, by Field and Period of Arrival, 2001 (percent)

Vocational/credential field	Canadian-born ¹	Foreign-born ²	Foreign-born by period of arrival			All (N)
			Before 1991	1991-96	1996-2001	
Information technology	49.1	50.9	19.4	9.4	22.1	103,292
Engineering	49.6	50.4	21.9	8.7	19.8	287,723
Architecture and building	51.3	48.7	23.7	9.2	15.9	76,749
Medical studies	64.7	35.3	20.9	5.5	8.8	208,140
Nursing	76.6	23.4	15.3	3.5	4.6	91,337
Teacher, education	84.8	15.2	11.4	1.8	2.1	515,503
Accounting	64.7	35.3	19.0	6.8	9.6	152,245
Rest of management, commerce	72.7	27.3	14.7	5.0	7.6	384,653
Society and culture, creative arts	75.7	24.3	15.5	3.6	5.2	1,106,842
Natural and physical sciences	64.5	35.5	19.9	5.8	9.8	312,154
Other	77.8	22.2	11.9	3.8	6.5	129,420
Total	71.0	29.0	16.4	4.7	7.9	3,374,057

Source: 2001 Census (Canada).

¹ Includes those with a bachelor's or a higher degree.

² Includes those born outside Canada to Canadian parents.

³ Excludes nonpermanent residents (employment authorization, student authorization, minister's permit or refugee claimants).

Table 2b
Australian- and Foreign-Born Professional¹ Workforce, by Field and Period of Arrival, 2001 (percent)

Vocational/credential field	Australian-born	Foreign-born ²	Foreign-born by period of arrival			All (N)
			Before 1991	1991-96	1996-2001	
Information technology	51.2	48.8	27.4	7.2	14.2	69,694
Engineering	52.2	47.8	27.7	8.5	11.6	136,454
Architecture and building	66.3	33.7	22.3	4.4	7.0	32,554
Medical studies	54.2	45.8	30.1	5.8	9.9	47,251
Nursing	75.9	24.1	19.2	2.2	2.7	137,949
Teacher, education	80.2	19.8	15.2	1.8	2.8	285,971
Accounting	64.2	35.7	23.4	4.6	7.7	100,923
Rest of management, commerce	64.4	35.6	20.1	5.0	10.5	218,339
Society and culture, creative arts	68.8	31.1	20.5	3.6	7.0	405,391
Natural and physical sciences	62.6	37.4	23.8	5.4	8.2	145,453
Other	71.2	28.8	19.4	3.6	5.8	189,175
Total	67.7	32.3	21.0	4.2	7.1	1,769,154

Source: 2001 Census (Australia), 2001 Census (Canada).

¹ Includes those with a bachelor's or a higher degree.

² Excludes those for whom birthplace or year of arrival is unknown.

half of all degree-qualified workers in engineering (50 percent in Canada, 48 percent in Australia), IT (51 percent in Canada, 49 percent in Australia), architecture and building (49 percent in Canada), and medical studies (46 percent in Australia) (see tables 2a and 2b). The proportion of 1996–2001 arrivals in select occupations was striking, most notably in Canada in the fields of IT (22 percent of the total IT workforce), engineering (20 percent), and architecture and building (16 percent). The suddenness of these inflows clearly posed some risk of “flooding the market,” as had occurred in Australia in the field of engineering from 1986 to 1993 (Hawthorne 1994). The concentrations of professional migrants entering Australia were somewhat lower, with key clusters located in the fields of IT (14 percent), engineering (12 percent), rest of management, commerce (11 percent), and medical studies (10 percent).

It is also important to note the high number of degree-qualified arrivals in nonvocational fields – in particular, there were 268,963 migrants with society and culture or creative arts degrees in Canada (all periods) and 126,077 in Australia.⁹ As we shall see, possession of generic rather than vocationally linked qualifications is consistently associated with inferior labour market outcomes for migrants, particularly in the first five years after arrival (Birrell and Hawthorne 1997, 1999).

The immigration category of recent migrant professionals

According to Citizenship and Immigration Canada, 85,363 engineers arrived in Canada between 1991 and 2003 as principal applicants under the two primary economic categories: 90 percent as “skilled workers” (equivalent to the “independent” category in Australia) and 10 percent as “assisted relatives” (equivalent to the “skilled Australia-linked” category).¹⁰ Of the total 95,285 engineers who arrived in Canada during this period, just 10 percent (9,922) were accepted under the non-economic family or humanitarian programs. We see the same pattern in IT, with 91 percent of degree-qualified arrivals selected in points-tested economic categories. In principle, if Canada’s economic selection strategy is effective, such migrants should have an excellent chance of securing work, particularly once they are established.

By contrast, teachers, nurses and doctors often entered Canada through non-economic categories from 1991 to 2003: 37 percent of teachers were in economic categories and 63 percent in

family/humanitarian categories; 38 percent of nurses were in economic categories and 62 percent in family/humanitarian categories; 58 percent of doctors were in economic categories and 42 percent in family/humanitarian categories. It seems reasonable to assume that such migrants would experience greater difficulty securing appropriate work in Canada, given that they did not undergo premigration screening by means of points-tested criteria.

Temporary migration flows and domestic employer preferences

While this study is primarily concerned with employment outcomes for landed immigrants (in both Canada and Australia), it is important to acknowledge that most professional fields are also characterized by strong temporary worker flows – a process that provides insight into domestic employer preference.

Between 1991 and 2003, 2,063,022 temporary foreign workers reached Canada, including 443,799 in 2001–03 alone. Teachers (66,435) and engineers (38,572) dominated these flows, but there were also numerous arrivals in the field of management and commerce (65,505). While many professionals entered for relatively short stays, 2004 data provided by Human Resources and Social Development Canada (HRSDC) showed the planned arrival the following year of 7,437 additional sponsored foreign workers, including 2,545 doctors (34 percent), 2,362 engineers (32 percent) and 890 nurses (12 percent). The 2005 data on planned arrivals indicate that this momentum was sustained, particularly in the fields of medicine (2,926 workers), mechanical engineering/technology (1,498 workers), university professors (878 workers) and nursing (738 workers) (HRSDC 2005, 2006).

From 2003 to 2004, the number of temporary workers residing in OECD nations increased by 7 percent (about 1.5 million people) (OECD 2006). In line with this, high levels of temporary skilled migration also prevail in Australia, with demand for workers varying significantly by field and period (McDonald, Khoo and Hugo 2005; Birrell et al. 2005). There were 40,124 long-stay visas issued to temporary workers for the period 2003–04 – a rise of 6 percent over the previous year. Computing professionals¹¹ dominated in the employer-nominated categories (17 percent), followed by nurses (12 percent), managers (11 percent) and accountants (3 percent) (Australia, Department of Immigration and Multicultural and Indigenous Affairs 2005, 67–8). More recent data show 202,195 long-term arrivals in 2004–05, of whom 158,311 were students and 48,000 were temporary work-

ers (with a substantial number qualified in the professions) (Australia, Department of Immigration and Multicultural and Indigenous Affairs 2005). Demand for short-term migration remains strong – in 2006-07, for example, Australia selected 5,500 medical and 2,500 nursing temporary migrants to meet urgent workforce shortages.

Intakes such as this directly reflect employers' preferences; in Canada, as in Australia, they are

largely employer-driven (OECD 2006). In selecting temporary workers, employers signal to government the types of migrants they deem most immediately employable. "The process generally starts when HRSDC receives a request for a temporary foreign worker from an employer. There are no numerical limits/quotas. Employers may hire temporary foreign workers in any occupation provided that the job offer meets a set of standard criteria. Employers recruit

Table 3
Number of Permanent Economic Immigrants to Canada, by Country/Region of Birth and Period of Arrival, 1991-2003

Category	Country/region of birth	Period of arrival			Total
		1991-96	1996-2001	2001-03	
Skilled worker (principal applicants)	China	16,215	42,739	25,711	84,664
	India	5,723	18,159	12,680	36,561
	Philippines	16,199	5,606	3,928	25,732
	Pakistan	2,432	12,666	556	21,054
	Hong Kong	9,537	4,653	351	14,541
	UK/Ireland	6,042	3,833	1,995	11,870
	Taiwan	2,510	6,256	999	9,764
	Lebanon	4,409	1,683	1,608	7,700
	US	3,370	2,395	875	6,639
	South Africa	1,556	1,560	698	3,814
	Malaysia/Singapore	1,069	698	450	2,216
	Australia	551	415	220	1,185
	Iraq	428	783	481	1,692
	Indonesia	133	581	423	1,136
	New Zealand	283	159	131	572
	Vietnam	252	189	115	555
	Other Europe	32,531	38,555	21,274	92,360
	Other Africa and Middle East	15,541	24,429	16,910	56,879
	Other South/Central America	12,498	9,588	7,249	29,334
	Other Asia/Pacific	5,937	10,874	6,718	23,528
	Not stated	264	192	42	497
Subtotal		137,476	186,009	110,809	434,293
Assisted relative (principal applicants)	Hong Kong	11,477	5,961	304	17,741
	China	3,812	4,578	2,120	10,509
	India	3,594	4,969	2,969	11,531
	Philippines	4,246	3,489	1,936	9,670
	Pakistan	1,092	3,166	1,878	6,135
	UK/Ireland	1,933	1,067	386	3,385
	Taiwan	1,030	2,012	249	3,290
	Lebanon	1,582	467	289	2,437
	Vietnam	1,263	150	22	1,434
	South Africa	528	510	158	1,195
	Malaysia/Singapore	523	245	128	896
	Iraq	309	368	160	837
	US	194	101	16	310
	Australia	34	23	2	58
	New Zealand	15	8	8	30
	Indonesia	94	109	63	265
	Other Europe	8,054	3,186	1,571	12,810
	Other Africa/Middle East	3,826	4,196	2,532	10,554
	Other South/Central America	4,609	2,079	1,142	7,830
	Other Asia/Pacific	2,738	2,335	1,405	6,478
	Not stated	195	103	6	304
Subtotal		51,143	39,118	17,438	107,699
Total		1,294,607	1,046,001	575,696	2,916,304

Source: Compiled by author based on landed immigrant arrivals data provided by Citizenship and Immigration Canada, 2005.

foreign workers who are seen as appropriate candidates for [the] company regardless of country of origin" (Aceytuno 2004, 9).

Over time, Canadian and Australian employers have demonstrated a marked preference for English- and (in the case of Quebec) French-speaking background professionals ("language" also being a proxy for perceived similarity in education systems). Between 1991 and 2003, for instance, the primary source countries for the 2,063,022 temporary foreign workers selected to enter Canada were the United States (14 percent), the UK/Ireland (4 percent), Australia (2 percent) and the Philippines (2 percent),¹⁰ along with France and Mexico (the latter mainly providing agricultural workers). By 2006, the US was supplying 16,841 (15 percent) of the total of 112,658 foreign workers selected, compared to the 13,933 (12 percent) supplied by Mexico, 8,681 (8 percent) by France, 8,529 by the Philippines (8 percent) and 7,442 (7 percent) by Australia. (The comparable 2005 figures were: the US, 17 percent; Mexico, 13 percent; the UK/Ireland, 8 percent; Australia, 8 percent; and France, 7 percent [Hiebert 2006, 2007].) Primary temporary workers for Australian employers in recent years have come from the UK/Ireland (35 percent), India (10 percent), the US (7 percent) and South Africa and Japan (5 percent each) (Australia, Department of Immigration and Multicultural and Indigenous Affairs 2005).

As shown in table 3, there is now a major disconnect between the top recent source countries of economic migrants and employer choice in Canada. From 1991 to 2003, the main countries of origin of landed skilled workers in Canada were China, India, the Philippines and Pakistan (all of whom have experienced a relatively lower rate of success at securing professional work). From 2001-02 to 2005-06, when the LSIC was administered, the top three PA source countries were China, India and Pakistan, while English-speaking-background (ESB) migration had decreased to negligible levels (Schellenberg and Maheux 2007).

The decline of English-speaking professional migration to Canada

Australia differs markedly from Canada in maintaining strong ESB migration (from the UK/Ireland, South Africa, New Zealand, the US and Canada) while also expanding and more effectively screening its dominant flows from China and India. After the proportion of ESB migrants decreased from 38 percent to 20 percent in 1991-96, it reverted to 28 percent in 1996-2001 due to persistent evidence of the inferior labour market integration rates secured by select NESB

groups. By 2003-04, the UK/Ireland (22 percent), India (13 percent), China (9 percent) and South Africa (6 percent) were Australia's major source countries for economic migration. By 2005-06, the figures were: India, 19 percent; China, 18 percent; the UK/Ireland, 16 percent; and Malaysia, 4 percent (Birrell, Hawthorne and Richardson 2006; Australia, Department of Immigration and Multicultural and Indigenous Affairs 2005).

In contrast, Canada has recently selected minuscule numbers of degree-qualified ESB migrants as landed immigrants: just 7 percent in 1991-96 and 5 percent in 1996-2001, compared to 25 percent a decade or more earlier (before 1991) (see table 4). The extent to which Canada's and Australia's migration systems have diverged on this score is worth highlighting for select professional fields. From 1996 to 2001, for example, just 6 percent of doctors, 4 percent of nurses, 2 percent of engineers and 2 percent of IT professionals migrating to Canada were derived from ESB source countries. This was in contrast to, respectively, the 30 percent, 43 percent, 22 percent and 18 percent in these fields migrating to Australia. The latest indications suggest that the flow of English-speaking migrants to Canada will remain slight (Hiebert 2006).

This poses a significant policy question. Are ESB professionals attracted to Australia rather than to Canada, or is there some current policy impediment to their selection that did not exist before 1991? It is worth noting here that New Zealand's economic selection system now prioritizes ESB migration: the UK is the source of 49 percent of all New Zealand's economic migrants; South Africa, 12 percent; and the US, 4 percent (Bedford 2006). Such professionals, by definition, migrate from nations that have tertiary training systems and technological development levels similar to those of Canada and Australia. They encounter fewer barriers related to credential recognition, the relevance of past work experience or possession of host-country language ability for the knowledge economy (a context where sophisticated communication is viewed as vital). In the past decade, such issues have increasingly become the focus of Canadian research as labour market outcomes for economic migrants have deteriorated and critics have questioned the human capital model (see, for example, Picot and Hou 2003; Thompson and Worswick 2004; Sweetman and McBride 2004; Ferrer, Green and Riddell 2004; Reitz 2005; Sweetman 2004, 2005, b; Hiebert 2006; Picot, Hou and Coulombe 2007).

While governments frame economic migration policy, employers retain the power to offer or withhold work. Rightly or wrongly, as we have seen, patterns of temporary worker selection demonstrate the strength of employer preference for high-level host-country language ability, similar education systems and a perceived capacity to integrate at high speed.

within the first five years after arrival, given virtually identical economic cycles?

In brief, this study found that Canada and Australia represent highly comparable settlement sites for foreign-trained professionals (see tables 5a and 5b on pp. 16-17):

- Degree- and higher-degree-qualified migrants enjoyed a substantial labour market advantage in both countries relative to migrants with diploma-level credentials – a finding that

Table 4
Proportion of Degree-Qualified Immigrants from English-Speaking-Background (ESB) Countries, by Select Vocational Field and Period of Arrival, Canada and Australia, 2001

Period of arrival	Canada			Australia		
	Degree-qualified immigrants	ESB countries ¹		Degree-qualified immigrants	ESB countries ²	
	N	N	%	N	N	%
Before 1991						
All fields	537,565	136,280	25	347,815	131,803	38
Engineers			15			24
Doctors			27			30
Nurses			25			56
Information technology			2			21
1991-96						
All fields	154,160	11,477	7	70,702	13,999	20
Engineers			3			11
Doctors			13			22
Nurses			5			38
Information technology			3			11
1996-2001						
All fields	257,714	12,762	5	116,986	32,777	28
Engineers			2			22
Doctors			6			30
Nurses			4			43
Information technology			2			18
Source: 2001 Census (Canada), Statistics Canada and Australian Bureau of Statistics. ¹ UK/Ireland, South Africa, Australia, New Zealand and the US. ² UK/Ireland, South Africa, Canada and the US.						

Employment Outcomes for Degree-Qualified Migrants: The 2001 Census

Labour market integration rates for 1996-2001 arrivals

The 2001 Census allows assessment of the degree of similarity between Canada and Australia as settlement sites for otherwise comparable degree-qualified migrants (in all immigration categories – economic, family and humanitarian). How quickly and at what level do recent arrivals secure work in each country

strongly affirms contemporary economic migration priorities.

- In general, degree-qualified migrants secured professional employment at double or more the rate of migrants who were diploma-qualified, although outcomes for diploma-level migrants were somewhat better in Australia.
- By 2001, 65 percent of degree-qualified 1996-2001 arrivals had secured work of some kind in Canada, compared to 66 percent of these arrivals in Australia.
- Overall, 29.8 percent of recent degree-qualified migrants in Canada had secured professional positions within five years of arrival, compared to 31.4

percent in Australia. In Canada, 5.0 percent had switched to administrative or managerial work, compared to 7.6 percent in Australia; substantial numbers in both nations also clustered in lower-skill positions.

- Unemployment was a greater problem in Canada than in Australia: 14.7 percent of 1996-2001 degree-qualified Canadian arrivals remained out of work, compared to 7.8 percent of Australian arrivals.
- Australia, by contrast, had larger numbers of recent degree-qualified arrivals categorized as "not in the labour force" (typically applying themselves to learning English or securing credential recognition): 26.2 percent of 1996-2001 Australian arrivals, compared to 20.4 percent of Canadian ones. This almost certainly reflects Australia's sustained investment in language and labour market training programs since the mid-1980s – a strategy currently receiving impressive funding and attention in Canada (Reitz 2005; Orme 2007; Alboim and Cohl 2007; Lemay 2007; Cardozo and Guilfoyle 2007).
- As noted earlier, migrants to both Canada and Australia holding trade/vocational qualifications also performed well; their employment rates were similar to those of degree-qualified migrants in every period of arrival. For example, in Canada, 65 percent of degree-qualified 1996-2001 arrivals had secured work by 2001, compared to 62 percent of migrants with post-secondary diplomas. The outcomes for Australia were 66 percent employment within the first five years for degree-qualified migrants, compared to an impressive 73 percent for those in skilled vocational fields. This finding supports the contemporary policy decisions made in each country to elevate the level of trades-qualified migration.

Unlike the Australian Census, the Canadian Census allows analysis of employment outcomes for recent and long-established migrants by degree type. In brief, highly superior outcomes were secured by migrants holding a master's degree or a Ph.D. in Canada in all arrival periods. By 2001, 61 percent of pre-1991 arrivals with higher degrees had secured professional positions, compared to 45 percent of arrivals with bachelor's degrees. The comparable rate for 1991-96 arrivals was 53 percent (versus 31 percent), and for 1996-2001 it was 44 percent (versus 24 percent). These findings were reasonably similar to figures for the Canadian-born: 64 percent of those holding master's degrees or Ph.D.s had professional positions by 2001, compared to 52 percent of those with bachelor's degrees. Furthermore, higher-degree-qualified migrants

were less likely to be out of the workforce. Canada's awarding of bonus points for higher education is thus a sound policy decision. However, possession of a graduate degree had minimal influence on unemployment levels, and Canadian-born professionals with similar credentials also outperformed migrants across all arrival periods.

The significance of birthplace to immigrants' employment outcomes

To what extent does birthplace influence employment outcomes when migrants seeking host-country employment are degree-qualified? The Census provides unambiguous insight on this question, strongly affirming employer preferences as previously described in relation to temporary workers (see page 11).

The primary source countries for economic principal applicants to Canada in 2001-03 were: China, 22 percent; India, 12 percent; Pakistan, 6 percent; and the Philippines, 5 percent. (To compare, the UK/Ireland accounted for just 2 percent.) When major regions of origin are also considered, the top eight source countries/regions for economic PAs in this period were: China, 21.7 percent; Northwestern Europe, 17.8 percent; Other Africa"/Middle East, 16.7 percent; India, 12.2 percent; Other South/Central America, 6.5 percent; Other Asia/Pacific, 6.3 percent; Pakistan, 6.1 percent; and the Philippines, 4.6 percent.

As we shall see, recent changes in the source countries for immigrants (all categories) drawn on by both Canada and Australia had a negative impact on employment outcomes. Degree-qualified 1996-2001 arrivals to Canada from the following countries/regions were most likely to have secured professional work by 2001: South Africa (70 percent of migrants working in their own or another profession); Australia/New Zealand (over 66 percent); UK/Ireland (63 percent) and Northwestern Europe (59 percent); and the US (58 percent) (see table 6a, p. 18). The rank order for 1996-2001 arrivals securing early professional employment in Australia was virtually identical: UK/Ireland (60 percent); South Africa (58 percent); US/Canada, 48 percent; and Northwestern Europe (46 percent) (see table 6b, p. 18). The corresponding rate for New Zealand is 48 percent (not shown).

In both Canada and Australia, the likelihood of recent degree-qualified migrants securing professional work within five years of arrival dropped substantially among other birthplace groups, with many arrivals at risk of severe skills discounting (tables 6a and 6b). Similar migrants faced the greatest level of disadvantage in each country: those from Iraq, Taiwan and Other North and Southeast Asia ranked lowest in terms

Table 5a
Labour Market Outcomes of Canadian- and Foreign-Born Adults,¹ by Educational Attainment and Period of Arrival, Canada, 2001 (percent)

Foreign-born ²	Educational attainment	Employment					Unemployed	Not in labour force	Total ³	All (N)
		Professional	Administrative/ managerial	Associate professional	Other	Employed subtotal				
Before 1991	Degree	49.0	9.5	5.8	18.3	82.7	4.1	13.2	100.0	552,971
	Post-secondary with diploma	20.2	9.4	11.0	38.6	79.2	5.1	15.7	100.0	527,585
	Post-secondary no diploma	8.7	8.5	5.7	52.2	75.1	6.3	18.7	100.0	496,080
	High school or less	3.8	6.6	2.4	50.8	63.6	5.3	31.1	100.0	1,080,428
1991-96	Degree	36.4	7.4	7.1	25.8	76.7	7.9	15.4	100.0	159,059
	Post-secondary with diploma	13.8	6.6	9.8	43.9	74.0	8.6	17.4	100.0	122,945
	Post-secondary no diploma	5.1	5.0	5.1	49.5	64.7	11.0	24.4	100.0	133,181
	High school or less	1.8	3.5	1.9	47.1	54.3	8.7	37.1	100.0	304,248
1996-2001	Degree	29.8	5.0	6.3	23.8	64.9	14.7	20.4	100.0	266,109
	Post-secondary with diploma	10.3	5.1	7.1	39.0	61.5	13.0	25.5	100.0	108,059
	Post-secondary no diploma	4.9	3.8	3.8	44.6	57.1	12.9	30.0	100.0	103,199
	High school or less	1.6	2.4	1.4	39.5	44.8	10.6	44.6	100.0	249,514
Canadian-born ⁴										
	Degree	53.8	9.4	5.1	16.5	84.8	3.8	11.4	100.0	2,395,918
	Post-secondary with diploma	19.4	8.2	12.7	40.9	81.1	5.5	13.4	100.0	3,042,529
	Post-secondary no diploma	7.6	6.8	5.8	55.4	75.6	8.5	16.0	100.0	3,215,110
	High school or less	3.3	4.8	2.5	50.4	60.9	8.2	30.9	100.0	7,355,870

Source: 2001 Census (Canada)

¹ Includes adults aged 15 to 64.

² Excludes nonpermanent residents (those with employment authorization, student authorization or a minister's permit, or refugee claimants).

³ Totals may not add up to 100 due to rounding.

⁴ Includes those born outside Canada to Canadian parents.

Table 5b
Labour Market Outcomes of Australian-¹ and Foreign-Born Adults,² by Educational Attainment and Period of Arrival, Australia, 2001 (percent)

Labour Market Outcomes of Australian and Foreign-Born Adults, by Education											
Period of arrival	Qualification level	Employment					Unemployed	Not in labour force	Not stated	Total ³	All (M)
		Professional	Administrative/managerial	Associate professional	Other	Employed subtotal					
Foreign-born ⁴											
Before 1991	Degree	48.9	11.0	8.7	15.5	84.1	3.1	12.7	0.1	100.0	370,659
	Diploma	22.5	8.4	15.3	31.4	77.6	4.2	18.0	0.1	100.0	189,987
	Skilled vocation	3.5	6.3	9.3	56.4	75.5	5.0	19.2	0.3	100.0	291,548
	Other	3.9	3.9	6.8	42.1	56.7	5.4	36.8	1.0	100.0	1,379,682
1991-96	Degree	39.7	8.2	8.4	22.3	78.6	5.1	16.0	0.2	100.0	73,776
	Diploma	15.7	5.1	11.2	38.9	70.9	6.6	22.2	0.3	100.0	28,817
	Skilled vocation	3.2	4.0	9.1	62.4	78.7	6.0	14.8	0.4	100.0	26,637
	Other	3.5	2.1	4.1	37.4	47.1	8.5	43.3	1.1	100.0	179,632
1996-2001	Degree	31.4	7.6	6.2	20.7	65.9	7.8	26.2	0.3	100.0	126,470
	Diploma	13.5	4.9	7.4	30.8	56.6	8.2	34.9	0.3	100.0	51,379
	Skilled vocation	3.6	4.0	9.3	56.1	73.0	7.8	19.0	0.4	100.0	34,603
	Other	3.4	2.2	3.7	31.2	40.5	8.7	49.4	1.3	100.0	271,269
Australian-born											
	Degree	55.1	11.9	8.4	12.1	87.5	2.1	10.2	0.1	100.0	1,198,252
	Diploma	25.0	9.0	17.0	30.6	81.6	3.3	14.9	0.1	100.0	663,727
	Skilled vocation	3.2	7.3	9.3	63.1	82.9	4.3	12.6	0.2	100.0	1,167,578
	Other	3.7	4.6	6.8	45.6	60.7	6.3	32.1	0.8	100.0	5,736,370

Source: 2001 Census (Australia).

¹ Excludes those born in New Zealand, although there is substantial two-way population movement between the two countries. Close to 10,000 degree-qualified New Zealanders arrived in Australia between 1996 and 2001.

² Includes adults aged 15 to 64.

³ Totals may not add up to 100 due to rounding.

⁴ Excludes those for whom birthplace or year of arrival is unknown.

Table 6a
Labour Market Outcomes for Degree-Qualified Migrants Who Arrived in Canada in 1996-2001, Ranked According to Employment in Their Own Profession by Birthplace,¹ 2001 (percent)²

Country/region of birth ³	Own profession	Other profession/managerial	Any work, subtotal	Unemployed	Not in labour force	All (N)
South Africa	39.5	30.5	86.6	5.2	8.2	1,992
Australia/New Zealand	29.9	36.5	80.0	6.3	12.1	855
US	26.5	31.0	76.1	5.3	18.6	5,696
UK/Ireland	25.8	37.3	83.2	5.5	11.3	4,219
Northwestern Europe	25.0	33.8	80.0	7.9	12.1	8,701
Hong Kong/Malaysia/Singapore	19.1	22.1	65.1	11.2	23.8	6,436
Central/South America	17.9	19.0	68.1	13.8	18.1	11,803
Eastern Europe	17.7	22.6	70.5	13.8	15.7	31,622
Southeastern Europe	16.0	20.1	67.3	16.7	16.1	6,710
China	14.9	20.7	58.3	18.7	23.0	48,952
Other Middle East/North Africa	14.3	19.1	56.6	21.2	22.2	16,059
India	12.2	18.9	71.5	12.8	15.7	29,059
Other South/Central Asia	11.5	16.8	60.5	16.6	23.0	35,659
Taiwan	10.3	18.0	44.9	14.5	40.6	7,955
Iraq	8.8	15.5	50.6	20.7	28.7	2,116
Philippines	8.3	10.3	77.1	9.1	13.8	17,869
Other	15.5	21.6	65.0	14.8	22.9	22,010
Total migrants						257,714
Canada⁴	34.0	29.6	84.9	3.8	11.4	2,295,198

Source: 2001 Census (Canada).

Table shows top 16 birthplaces.

¹ Excludes all original cells where the number of unweighted observations in the sample was fewer than five.

² Excludes nonpermanent residents (employment authorization, student authorization, minister's permit or refugee claimants).

³ Includes those born outside Canada to Canadian parents.

Table 6b
Labour Market Outcomes for Degree-Qualified Migrants Who Arrived in Australia in 1996-2001, Ranked According to Employment in Their Own Profession by Birthplace,¹ 2001 (percent)

Country/region of birth ²	Own profession	Other profession/managerial	Any work, subtotal	Unemployed	Not in labour force	All (N)
South Africa	33.5	24.9	75.6	3.8	11.1	6,008
UK/Ireland	30.6	29.2	78.3	3.3	10.3	19,418
US/Canada	23.1	25.0	66.3	3.7	20.8	7,351
Northwestern Europe	21.7	24.5	63.1	4.8	23.8	6,223
Southeastern Europe	18.0	13.9	58.3	10.9	21.4	2,871
Hong Kong/Malaysia/Singapore	17.9	12.4	48.0	8.5	37.2	6,966
India	15.5	14.1	61.4	9.9	18.7	12,656
Eastern Europe	14.4	14.1	57.4	9.9	26.5	2,825
Other South/Central Asia	14.1	9.4	52.0	9.9	25.2	7,166
China	12.7	11.0	50.2	9.0	32.6	10,541
Other Middle East/North Africa	11.3	11.6	46.1	12.0	30.3	3,391
Central/South America	11.2	11.1	55.7	7.5	26.6	2,217
Philippines	11.2	6.5	61.4	7.3	23.2	5,751
Iraq	9.3	3.0	30.4	24.1	33.0	1,230
Taiwan	8.1	9.4	32.8	5.8	53.7	1,527
Other	14.7	10.4	50.9	8.6	32.0	20,845
Total migrants						116,986
Australia³	34.1	24.0	79.0	2.5	8.6	1,233,651

Source: 2001 Census (Australia).

Note: Totals may not add up to 100% due to rounding up.

¹ Table shows top 15 birthplaces.

² Excludes those for whom birthplace or year of arrival is unknown.

³ Includes those born in New Zealand, who are not counted as migrants to Australia, although there is substantial two-way population movement between the two countries. Close to 10,000 degree-qualified New Zealanders reached Australia between 1996 and 2001. This movement is reflected in the table, given New Zealanders' important contribution to Australia's skilled workforce.

of work access, with the worst employment rates being experienced by the Lebanese in Canada and the Vietnamese in Australia (not shown). Large numbers of degree-qualified migrants from the Philippines, India, Vietnam and Other South/Central Asia secured employment only by taking low-skill positions – a significant migration policy issue, given the scale of current migration from these regions.

Differential tertiary training systems

While racism and systemic barriers seem certain to influence these outcomes (Guo 2007; Goldberg 2007), it is important to note that degree-qualified migrants from Commonwealth nations with British-based education systems fared relatively well in both Canada and Australia. Professionals from Hong Kong, Malaysia and Singapore, for example, had reasonable outcomes: in Canada, they were far more likely to secure work in their own professions than similarly qualified Indian arrivals (19 percent versus 12 percent) (see figure 1).

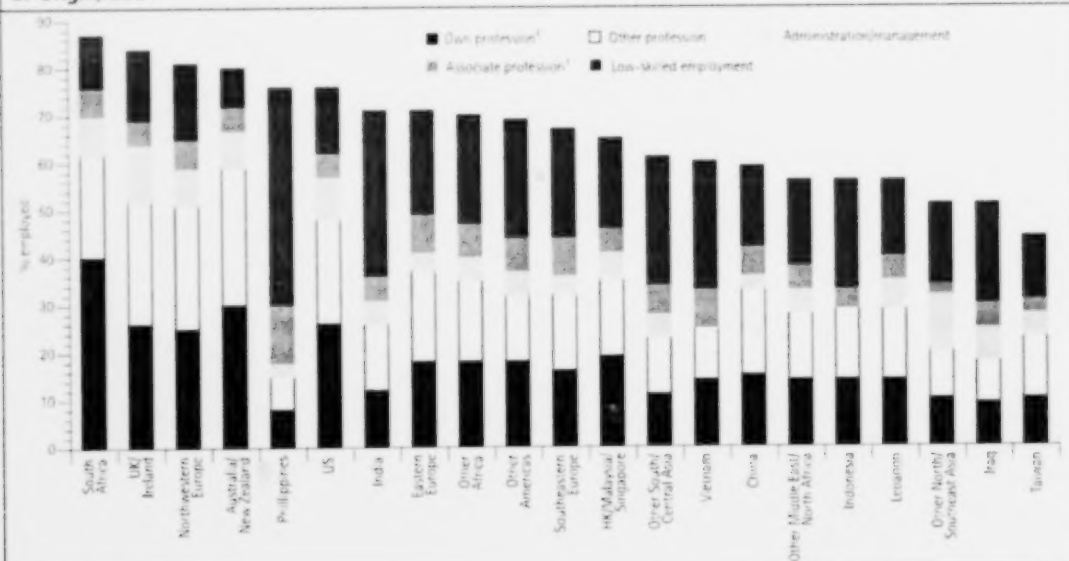
There has been growing debate in Canada and Australia in the recent period concerning the presumed neutrality of human capital, with a focus on the factors influencing the transferability of education and other human capital attributes between radically different systems (Sweetman and McBride 2004; Ferrer, Green and Riddell 2004; Sweetman 2004, 2005). It is thus relevant to note that the latest available global

rankings suggest a substantial gulf between the calibre of tertiary institutions in developed nations and in developing ones, correlated with length of academic tradition and availability of resources. In 2006, for example, the well-regarded Shanghai Jiao Tong University ranking system (viewed as relatively unbiased) categorized the top 500 world institutions. It identified:

- 207 in Europe (overwhelmingly located in Northwestern Europe), including 43 in the UK and 40 in Germany
- 196 in the Americas – 167 in the US, 22 in Canada and just 7 in all of Central and South America (including 1 in the top 150)
- 92 in the Asia-Pacific – 32 in Japan, 16 in Australia, 14 in China (none ranked in the top 150, and with 2 of the top-ranked 4 institutions located in Hong Kong), 9 in South Korea, 7 in Israel, 5 in New Zealand, 5 in Taiwan, 2 in Singapore and 2 in India (neither ranked in the top 300)
- 5 in Africa – 4 in South Africa and 1 in Egypt; no other African or Middle Eastern country was listed (Institute of Higher Education, Shanghai Jiao Tong University 2006)

Very comparable patterns were evident in the *Times Higher Education Supplement* Top-200 universities lists (2005; 2006), and in the 2005 Top-100-Asia-Pacific University rankings (Institute of Higher Education, Shanghai Jiao Tong University 2005). These data suggest

Figure 1
Employment Outcomes of Degree-Qualified Migrants Who Arrived in Canada in 1996–2001, by Country/Region of Origin, 2001



Source: 2001 Census (Canada).
See note 1 in table 7.

that the quality of higher education is highly variable in the contemporary economic migrant source countries of Canada and Australia – the ranking of Indian institutions being particularly low, with just 2 listed in the top 500. In medicine, for instance, schools have proliferated globally in the past 30 years, principally in Asia (India, China and the Philippines) and Africa. By March 2005, 1,981 courses were listed by the *International Medical Education Directory* across 170 nations, with half of them in 10 countries (Foundation for Advancement of International Medical Education and Research 2005). Minimal data, however, are available concerning the calibre of curricula and clinical training, student selection and the length of training in many Asian and African degree programs (Boulet et al. 2005).

Perceived educational quality powerfully influences the decision of employers to hire professional staff, despite the undoubted intellectual and adaptive capacity of incoming migrants. Adams maintains that “[a]s the number of foreign-trained professionals in Canada increases, professional bodies are faced with an eclectic array of practitioners with training that may differ substantially from our own. There is no guarantee that they possess the skills, background and approach deemed essential by practitioners in Canada” (2007, 15). In dealing with the unknown, regulatory bodies and employers typically adopt risk-averse strategies. According to Kustec, Thompson and Li, “The extent to which credential recognition problems result from a lack of knowledge on newcomers’ part on how to have skills recognised, a lack of knowledge on employers’ part of foreign credentials, a lower quality of foreign credentials relative to domestic qualifications, versus market barriers caused by professional association protectionism, or broader societal discrimination, is not well understood” (2007, 26).

Despite such barriers, it is encouraging to note that the 2001 Census analysis confirmed outcomes to be fairly positive for degree-qualified migrants in both Canada and Australia. A total of 31.4 percent of recent migrants with degrees were employed in their own or some other profession by 2001 in Australia, compared to 23.5 percent of migrants with bachelor’s degrees and 43.9 percent with master’s degrees in Canada. Among 1996–2001 arrivals in Australia, 7.6 percent had found managerial or administrative work, compared to 5.2 percent with bachelor’s degrees and 4.6 percent with master’s degrees in Canada. In terms of outcomes by birthplace, a range of recently arrived degree-qualified migrants had performed better in Canada than in Australia. For example, 25.0 percent of Northwestern European migrants were

employed in their own profession in Canada by 2001 (compared to 21.7 percent in Australia), 19.1 percent from Hong Kong/Malaysia/Singapore (compared to 17.9 percent), 17.9 percent from Central/South America (compared to 11.2 percent), 14.9 percent from China (compared to 12.7 percent). However, the percentage of degree-qualified migrants from India employed in their own profession was higher in Australia (15.5 percent) than in Canada (12.2 percent). Factoring employment in other professions or managerial positions into the analysis intensified this pattern (see tables 6a and 6b).

Overall, however, newly arrived degree-qualified migrants from disadvantaged birthplace groups reported lower unemployment levels in Australia than in Canada at a time when national unemployment rates for the native-born with degrees were 4 percent in Canada and 2 percent in Australia. The unemployment rate for migrants from Other Middle East/North Africa was 21 percent in Canada (compared to 12 percent in Australia), 19 percent for China (compared to 9 percent), 17 percent for Other South/Central Asia (compared to 10 percent), 17 percent for Southeastern Europe (compared to 11 percent), 15 percent for Taiwan (compared to 6 percent), 14 percent for Eastern Europe (compared to 10 percent) and 13 percent for India (compared to 10 percent) (see tables 6a and 6b).

Many birthplace groups in Canada and Australia had high proportions of members categorized as not in the labour force – most notably, migrants from Taiwan, other North and Southeast Asia, Indonesia, Lebanon and Iraq. Substantial numbers of these migrants, it seems fair to presume, were learning English or French or repositioning themselves to enter the labour market by following a program of study related to achieving credential recognition (Hawthorne 2007b).

Length of residence and employment outcomes

In line with the research literature, superior employment outcomes were achieved by long-established degree-qualified migrants in both Canada and Australia (defined as resident 10 years or more in the host country). Encouragingly, this pattern included initially disadvantaged groups, whose unemployment rates more nearly approximated host country norms. For example, by 2001 ESB migrants who had been in Canada 10 years or more had achieved representation in the professions that was equal or superior to the Canadian-born. As in Australia, South Africans represented the most elite migrant group overall, with 87 percent of South African migrants working, compared to 85 percent of the Canadian-born, and a high 71 percent were occupying professional or managerial positions (compared to 64 percent of the Canadian-

born). Select Asian groups had also achieved representation in the professions equivalent to the Canadian-born, including those from Vietnam and Hong Kong, Singapore and Malaysia, with those born in Indonesia and China also faring well. Good rates of access to the professions had been achieved by other visible minority groups, including migrants from Other Middle East/North Africa – all had better representation in their own and other professions than migrants born in Eastern and Southeastern Europe, India, other parts of Asia, Taiwan and the Philippines.

Contemporary research, however, challenges the persistence of this pattern in Canada in the future (Thompson and Worswick 2004; Picot, Hou and Coulombe 2007). Moreover, long-established degree-qualified migrants in Australia have achieved higher levels of employment in their own professions than those in Canada: most notably, those qualified in Hong Kong/Malaysia/Singapore (34 percent in Australia, compared to 25 percent in Canada); Other South/Central Asia (27 percent, compared to 18 percent); India (26 percent, compared to 18 percent); Southeastern Europe (24 percent, compared to 20 percent); and Iraq (18 percent, compared to 14 percent). This gives credence to the view that visible minorities experience greater disadvantage in Canada, despite the fact that 1996–2001 arrivals from a range of such groups had less initial access to their professions in Australia.

Australia's lower unemployment rates may reflect major investment in language and employment settlement services for disadvantaged groups – a strategy now strongly endorsed by Canada, and supported by a very impressive level of funding (Reitz 2005; Alboim and Cohl 2007; Hawthorne 2007b). By the early 1990s, Australia had developed the world's most comprehensive settlement services for skilled migrants, located primarily in Sydney and Melbourne (the major immigrant-receiving sites). English courses were free, and migrants were paid to take them, supported by immediate access to social security benefits. The Australian government simultaneously invested heavily in employment and credential recognition bridging programs, supported by payment of additional incentive allowances. As early as 1992–93, \$AUD99.7 million was being spent per year on specialist labour market programs for NESB professionals, in addition to \$AUD110.6 on English-language instruction, and a further \$AUD42.2 million was channelled through the technical education sectors (Hawthorne 2005, 1994). Ten different models of bridging courses had been developed for engineers, addressing, for instance, specific labour market disadvantages such as nonrecognition of creden-

tials, lack of computer training, the need to acquire field-specific English language terminology or lack of local industrial experience. Despite fewer economic migrants now requiring such courses, this level of funding has been maintained (Australia, Department of Immigration and Citizenship 2007b).

The influence of domestic labour demand by field on absorptive capacity

General employment patterns aside, to what extent does supply and demand in specific professions influence labour market integration for recent degree-qualified migrants? A number of immigrant-receiving nations affirm the value of factoring in domestic demand – for example, the US Independent Task Force on Immigration and America's Future has recommended to Congress the introduction of "a new provisional category designed to allow workers meeting long-term labor market needs to transition from an initially temporary to a permanent immigration status" (Migration Policy Institute 2006; Abraham and Hamilton 2006).

Australia restored labour demand as a key selection criteria as of 1999, following a decade of evidence showing outcomes for skilled migrants to be strongly affected by domestic supply (Birrell and Hawthorne 1999). By July 2005, Australia's Migration Occupations in Demand List (MODL) had become the critical determinant of economic selection of migrants, including which principal applicants could avoid regional entry and enjoy unconstrained locational choice. Based on twice-yearly labour market analyses, 20 points are allocated to PAs in high-demand fields¹¹ (one-sixth of the total points required). MODL applications have risen dramatically as a consequence, from 9 percent of all skilled PAs in 2003–04 to 42 percent in 2004–05. Within the current environment this favours the selection of accountants, nurses, doctors and select tradespeople – fields characterized by sustained labour undersupply (Birrell, Hawthorne and Richardson 2006).

Canada, by contrast, does not factor employment demand by field into its economic selection process, reflecting:

- A national commitment to achieving 1 percent annual population growth (designed to nation-build while offsetting an aging population)
- The time lags inherent in the immigrant selection and arrival processes
- The difficulty of accurately predicting labour market demand by field
- The adoption of a human capital model of economic immigration based on the presumed flexibility of skilled migrant workers (Beach, Green and Reitz 2003)

Table 7
Change in the Number of Employed Persons, by Major Occupational Group, Canada, 1991–2001

Occupational groups	1991	1996	2001	% Change (1996–2001)
Professionals	2,272,752	2,504,848	3,030,278	17
IT	79,594	162,687	264,426	38
Engineering	98,536	108,686	133,269	18
Architecture and building	57,467	53,152	63,307	16
Medical studies	50,910	52,573	57,745	9
Nursing	239,833	238,071	236,213	-1
Teacher, education	520,944	548,788	557,157	2
Accounting	102,222	112,893	161,797	30
Rest of management and commerce	666,905	693,153	928,443	25
Society and culture, creative arts	352,895	409,989	469,446	13
Natural and physical sciences	37,228	41,741	54,766	24
Administration/management	1,108,973	1,095,475	1,330,424	18
Associate professionals	862,662	833,049	1,092,200	24
Tradespersons	1,929,099	1,833,422	2,063,760	11
Clerical, sales and service workers	4,888,605	5,151,787	5,126,599	0
Production and technical workers, labourers	1,516,770	1,516,659	1,643,668	8

Source: 2001 Census (Canada).

The terms "professional" and "associate professional" are based on equivalent occupations in NOC codes (Canada) and ASCO codes (Australia). For example, an engineer (who usually has a minimum 4-year qualification) is categorized as "professional," while a technologist (usually with a 2–3-year diploma) is categorized as "associate professional." A registered nurse is categorized as "professional" while a licensed practising nurse is categorized as "associate professional."

¹ The 2001 Census distinguishes between computer engineers (included in "engineering") and software engineers ("information technology") while in 1991 and 1996 both are included in "engineering."

This policy may merit reconsideration, though the challenges of predicting labour demand are clear. Alternatively, as Sweetman suggests, the solution may lie in "letting employers have greater input into the [selection] process by, for example, allocating more points in the immigration system for pre-arranged employment" (2005, 17). Either way, analysis of 2001 Census data for each country suggests a definite correlation between labour market demand and employment outcomes for recent degree-qualified arrivals, as exemplified by the five case studies examined below. It is important to acknowledge here the differences among occupations and between the two countries in employment growth and/or decline in select professional fields between 1996 and 2001 (see table 7 for Canada):¹⁴

- Information technology: +38 percent in Canada; +61 percent in Australia
- Engineering: +18 percent in Canada; -34 percent in Australia
- Nursing: -1 percent in Canada; +59 percent in Australia¹⁵
- Medical studies: +9 percent in Canada; -17 percent in Australia
- Accounting: +30 percent in Canada; +5 percent in Australia
- Teacher, education: +2 percent in Canada; -14 percent in Australia (see table 7)

Engineering

By 2001, 145,012 degree-qualified migrant engineers had been accepted by Canada, including 56,871 from 1996 to 2001 (constituting 19.8 percent of the total engineering workforce) (table 8). An additional 31,043 engineers migrated between 2001 and 2003, making engineering the primary professional field in Canada for recent arrivals. Demand favoured these engineers' employment; there was an 18 percent growth in professional engineering positions from 1996–2001, in marked contrast to the decline then evident in Australia. The great majority (90 percent) of 1991–2003 engineers had also been selected as economic migrants, and this involved the screening of their employment-related attributes.

Within this favourable context, new labour market entrants to Canada performed far better than their counterparts in Australia, despite their large numbers. Of recent ESB engineers arriving in Canada, 66 to 75 percent had secured some form of professional or managerial work by 2001, compared to 39 to 51 percent of all recently arrived engineers – a remarkable outcome in the light of local regulatory hurdles (Lemay 2007). Reflecting the significance of country of qualification, however, results were inferior for recently arrived engineers from India and Eastern Europe (19 percent were employed in engineering in Canada, compared to 9 percent and 8 percent, respectively, in Australia), Iraq (16 percent, compared to 6 percent), Other Middle

Table 8
Labour Market Outcomes for Degree-Qualified Migrant Engineers Who Arrived in Canada in 1996–2001, by Country/Region of Birth (percent)

Country/region of birth ¹	Employed				Unemployed	Not in labour force	All (N)
	Own profession	Other profession/managerial	Other work	Subtotal			
UK/Ireland	25.2	48.7	12.6	86.5	~	~	633
US	17.6	48.4	11.9	77.9	~	~	392
South Africa	19.0	56.2	0.0	75.2	~	~	215
Australia/New Zealand	~	75.3	0.0	75.3	~	~	81
Southeastern Europe	15.1	24.9	35.1	75.1	12.8	12.13	2,074
Eastern Europe	19.2	23.8	31.7	74.7	12.9	12.4	10,280
Northwestern Europe	17.4	53.1	13.9	84.3	8.2	4.55	1,110
India	19.0	30.9	33.0	82.9	9.6	7.49	4,933
Other South/Central Asia	15.9	22.3	31.2	69.4	17.1	13.53	7,632
Hong Kong/Malaysia/Singapore	16.7	29.3	17.2	63.2	11.7	20.9	817
China	12.0	24.4	23.5	59.8	21.0	19.17	15,234
Taiwan	8.3	20.8	18.8	47.9	16.9	31.38	1,020
Philippines	5.3	14.2	58.7	78.2	11.4	10.38	2,844
Iraq	15.6	27.0	17.6	60.2	14.4	17.6	572
Other Middle East/North Africa	14.9	23.7	24.2	62.8	22.1	15.09	3,566
Central/South America	20.5	30.4	28.3	79.2	9.3	11.54	2,190
Other	17.8	34.7	22.4	74.9	20.2	15.6	3,278
Total migrants							56,871
Canadian-born²	27.9	45.1	15.2	88.2	3.7	8.1	142,774

Source: 2001 Census (Canada).
 ~ number of observations in sample (unweighted observations) is fewer than five and is therefore excluded.
 Excludes nonpermanent residents (employment authorization, student authorization, minister's permit or refugee claimants).
¹ includes those born outside Canada to Canadian parents.

East/North Africa (15 percent, compared to 6 percent), China (12 percent, compared to 8 percent) and the Philippines (5 percent, compared to 6 percent). Many such engineers had struggled to secure professional or subprofessional status – a serious issue, given the dominance of migrants from these source countries in contemporary Canadian flows (Canadian Council of Professional Engineers 2004).

As shown, outcomes were infinitely worse in Australia, where a contracting employment situation in engineering gave rise to a problem of labour oversupply similar to what had occurred a decade earlier. Within a low-demand context, employers became highly discriminatory toward migrant engineers, particularly those trained in parts of the Middle East and Asia (Hawthorne 1994).

Information technology

In information technology, 55,630 degree-qualified workers had migrated to Canada by 2001. Those who arrived between 1996 and 2001 represented 22.1 percent of the total IT workforce (24,192) (table 9); in Australia, the corresponding figure was 14.2 percent (see table 2b). An additional 9,320 IT professionals reached Canada between 2001 and 2003, 91 percent of

them selected in the major economic categories. Until 2001, dynamic IT demand existed in both countries, facilitating the swift absorption of most recent arrivals. In Australia, 9,528 degree-qualified IT professionals were accepted from 1996 to 2001. Over this period, in virtually every birthplace group examined, the proportion of recent IT migrants working in their own profession was double or triple the standard employment outcome of recent degree-qualified migrants from the same source countries in all fields. Clearly, employers willingly overlooked perceived deficits in prior training or language ability due to their need for IT workers (see figure 2).

Very positive outcomes also prevailed for 1996–2001 arrivals in Canada in the IT sector: 57 percent of recent immigrants from Eastern Europe had secured professional work in their fields by 2001 (compared to 63 percent in Australia); 49 percent of those from Southeastern Europe (compared to 68 percent); 43 percent of those from Hong Kong/Malaysia/Singapore (compared to 27 percent); 37 percent of those from India (compared to 34 percent); 41 percent of those from China (compared to 36 percent); 38 percent of those from Other Middle East/North Africa (compared to 37 percent); 37 percent of those from South/Central Asia (compared to 46 percent); and 32 percent of those from the Philippines (compared to 42 percent).

Table 9
Labour Market Outcomes for Degree-Qualified Migrants in Information Technology Who Arrived in Canada in 1996-2001, by Country/Region of Birth (percent)

Country/region of birth ¹	Employed				Unemployed	Not in labour force	All (N)
	Own profession	Other profession/managerial	Other work	Subtotal			
UK/Ireland	57.9	12.4	0.0	70.3	~	~	308
US	40.6	28.7	0.0	69.2	~	~	169
South Africa	~	0.0	0.0	0.0	~	~	85
Australia/New Zealand	~	0.0	0.0	0.0	~	~	35
Eastern Europe	57.4	9.7	14.1	81.2	11.3	7.5	3,710
Southeastern Europe	48.9	11.4	0.0	60.3	~	~	446
Northwestern Europe	46.4	25.6	9.0	80.9	4.6	8.8	718
India	37.2	11.0	22.7	70.9	12.4	15.5	1,802
Other South/Central Asia	37.0	12.3	23.2	72.4	15.9	10.8	2,399
Hong Kong/Malaysia/Singapore	42.7	10.4	19.3	72.4	11.0	13.4	819
China	40.9	10.6	14.4	65.9	20.3	13.7	8,109
Taiwan	28.5	4.6	13.3	46.4	22.0	29.5	664
Philippines	31.8	7.0	27.4	66.2	14.9	9.5	531
Iraq	~	0.0	0.0	0.0	~	~	116
Other Middle East/North Africa	38.4	17.6	7.7	63.7	20.6	14.6	1,783
Central/South America	45.2	10.4	13.8	69.4	14.6	10.6	991
Other	31.4	25.3	13.6	70.2	16.1	16.2	1,506
Total migrants							24,192
Canadian-born²	44.9	30.4	14.1	89.3	4.1	6.6	53,613

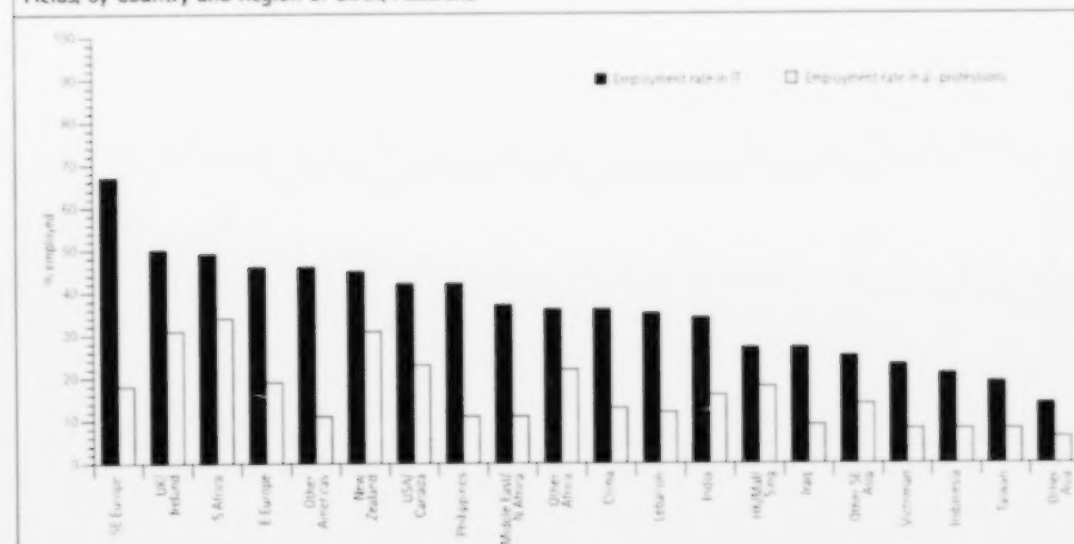
Source: 2001 Census (Canada).

~ number of observations in sample (unweighted observations) is fewer than five and is therefore excluded.

Excludes nonpermanent residents (employment authorization, student authorization, minister's permit or refugee claimants).

¹ Includes those born outside Canada to Canadian parents.

Figure 2
Own-Profession Employment Rates of Recent¹ Degree-Qualified Immigrants in Information Technology and All Fields, by Country and Region of Birth, Australia



Source: 2001 Census (Australia).

¹ 1996-2001 arrivals.

Nursing

Sustained demand had a similarly beneficial impact on employment outcomes for recently arrived nursing and medical professionals in Australia, despite the existence of significant regulatory barriers in both professions. Currently, 5,500 internationally educated nurses are brought in by Australia each year (half as landed immigrants, and half as temporary workers), along with 6,500 medical graduates (5,500 of them on a temporary basis in order to meet regional workforce shortages). Demand constantly outstrips supply (Hawthorne, Hawthorne and Crotty 2007; Hawthorne 2001, 2002).

By 2001, virtually every category of the 3,100 permanent migrant nurses arriving in 1996-2001 had performed well in Australia – a process greatly facilitated by the provision of free government-supported credential recognition bridging programs (Hawthorne 2002). A very high proportion of UK/Ireland nurses (73 percent) had secured professional nursing work, together with an extraordinary 66 percent of nurses

professionally employed within five years of arrival (in marked contrast to typical employment outcomes for degree-qualified Chinese migrants).

The contrast with outcomes for internationally educated nurses in Canada was stark, in a context where 4,462 degree-qualified nurses had migrated in the previous five years, but growth in professional degree-qualified positions was minimal (-1 percent) (table 10). Labour market barriers in Canada were severe, exacerbated by the selection of 62 percent of these nurses in non-economic categories. Just 23 percent of recently arrived Indian nurses had found work in their field by 2001 (compared to 66 percent in Australia), 22 percent of Filipino nurses (compared to 35 percent), and 32 percent from Northwestern Europe (compared to 45 percent). Large numbers of nurses arriving from China in 1996-2001 remained unemployed (28 percent) or categorized as not in the labour force (24 percent). These outcomes are a serious concern, given the scale of nurse arrivals to Canada from such countries in recent years (the Philippines dominating with 2,160 nurses).

Table 10
Labour Market Outcomes for Degree-Qualified Migrant Nurses Who Arrived in Canada in 1996-2001, by Country/Region of Birth (percent)

Country/region of birth ¹	Employed				Unemployed	Not in labour force	All (N)
	Own profession	Other profession/managerial	Other work	Subtotal			
UK/Ireland	~	0.0	0.0	0.0	~	~	56
US	31.3	0.0	0.0	31.3	~	~	125
South Africa	~	0.0	0.0	0.0	~	~	26
Australia/New Zealand	~	0.0	0.0	0.0	~	~	28
Southeastern Europe	~	0.0	0.0	0.0	~	~	103
Eastern Europe	8.7	0.0	0.0	8.7	~	~	49
Northwestern Europe	32.2	0.0	0.0	32.2	~	~	81
India	22.2	0.0	25.4	47.6	~	~	178
Other South/Central Asia	13.5	0.0	31.2	44.7	14.0	35.1	460
Hong Kong/Malaysia/Singapore	~	0.0	0.0	0.0	~	~	30
China	~	0.0	0.0	0.0	28.1	24.6	182
Taiwan	~	0.0	0.0	0.0	~	~	126
Philippines	21.8	2.7	51.2	75.6	7.6	15.1	2,160
Other Middle East/ North Africa	~	0.0	0.0	0.0	~	~	58
Central/South Americas	~	0.0	34.3	34.3	~	~	189
Other	27.2	2.7	51.2	81.0	7.6	15.1	600
Total migrants							4,462
Canadian-born²	56.3	16.9	12.1	85.3	2.3	12.4	69,987

Source: 2001 Census (Canada).

~ number of observations in sample (unweighted observations) is fewer than five and is therefore excluded.

Excludes nonpermanent residents (employment authorization, student authorization, minister's permit or refugee claimants).

¹ Includes those born outside Canada to Canadian parents.

from India and from Hong Kong/Malaysia/Singapore, 63 percent from South Africa, and 49 percent from Other South/Central Asia. This pattern applied even to nurses qualified in China – 52 percent were pro-

Medicine

International medical graduates (IMGs) in Australia also achieved extremely positive outcomes, in the context of growing labour force undersupply. (The 2001

Census data showing a 17 percent decline in the number of medical positions underestimates the real level of demand, given that Australia was having to bring in 6,500 temporary resident doctors each year, despite little growth in permanent medical positions.) Within the past decade the strength of workforce demand has in fact subverted credential requirements in Australia – as the most recent study on this issue confirms, 78 percent of recently arrived IMGs were

doctors from Eastern Europe (24 percent), the Philippines (33 percent), Southeastern Europe and Other Middle East/North Africa (36 percent) and Other South/Central Asia (39 percent) fared somewhat better.

As noted, Australia needs to bring in 6,500 temporary physicians per year. In the context of lower demand and more rigorous regulatory requirements, foreign-born doctors in Canada experienced far more negative outcomes (although

Table 11
Labour Market Outcomes for Migrant Medical Graduates Who Arrived in Canada in 1996–2001, by Country/Region of Birth (percent)

Country/region of birth ¹	Employed				Unemployed	Not in labour force	All (M)
	Own profession	Other profession/managerial	Other work	Subtotal			
UK/Ireland	47.5	26.3	0.0	73.8	~	~	272
US	45.6	24.8	0.0	70.5	~	~	330
South Africa	80.6	0.0	0.0	80.6	~	~	388
Australia/New Zealand	60.4	0.0	0.0	60.4	~	~	49
Southeastern Europe	10.3	11.6	21.7	43.5	16.6	32.4	419
Eastern Europe	8.0	14.5	31.5	54.0	23.0	23.0	2,137
Northwestern Europe	35.8	23.5	14.2	73.6	6.3	13.0	477
India	18.9	9.1	31.5	59.5	13.0	22.6	1,604
Other South/Central Asia	12.4	12.7	25.9	51.0	17.0	32.0	3,052
Hong Kong/Malaysia/Singapore	30.7	13.5	12.0	56.2	~	~	271
China	4.3	25.5	26.8	56.6	12.6	30.7	3,587
Taiwan	11.2	27.7	16.8	55.8	9.7	31.7	500
Philippines	3.0	7.3	67.2	77.4	6.9	15.7	1,612
Iraq	10.9	0.0	0.0	10.9	25.6	50.2	232
Other Middle East/North Africa	15.0	13.9	15.4	44.3	18.0	36.1	1,714
Central/South America	12.2	15.0	19.6	46.8	16.5	29.6	717
Other	14.3	11.7	38.7	64.7	13.2	30.5	1,031
Total migrants							18,392
Canadian-born¹	65.7	13.1	9.9	88.7	2.2	2.2	134,659

Source: 2001 Census (Canada).

~ number of observations in sample (unweighted observations) is fewer than five and is therefore excluded.

Excludes nonpermanent residents (employment authorization, student authorization, minister's permit or refugee claimants).

¹ Includes those born outside Canada to Canadian parents.

employed in the medical field, though only 41 percent had secured full accreditation (Hawthorne, Hawthorne and Crotty 2007).¹⁶

By 2001, the majority of IMG 1996–2001 arrivals from South Africa and the UK/Ireland had moved seamlessly into medical work in Australia. Their rates of professional employment came close to or exceeded those of Australian-born medical graduates (the three preregistration exams presented minimal barriers). Doctors qualified in India (66 percent), Hong Kong/Malaysia/Singapore (59 percent) and Taiwan (57 percent) had similarly high medical employment rates in the first five years of arrival. By contrast, recently arrived China-qualified doctors fared appallingly (just 5 percent were working in medicine by 2001), while

those resident 10 years or more did as well as IMGs in Australia). This problem was exacerbated by the fact that 42 percent of IMGs were selected through non-economic categories. Just 3 percent of Filipino doctors had secured medical work by 2001, compared to 4 percent from China, 8 percent from Eastern Europe, 11 percent from Iraq, 12 percent from Other South/Central Asia (probably predominantly Pakistan), 19 percent from India and 31 percent from Hong Kong/ Malaysia/Singapore. The level of medical skills discounting in Canada was severe: of the 21,799 IMGs who had migrated within the previous five years, 3,587 were from China and 3,052 were from Other South/Central Asia (table 11).

It is important to acknowledge that C\$75 million has recently been allocated by Health Canada to bridge 1,000 medical migrants and 800 nursing migrants into employment. The aim is to offset the wastage and professional disadvantage afflicting the 21,799 migrant doctors who arrived in the 1996-2001 Census period (Baldacchino, Chandrasekera and Saunders 2007; Bourgeault 2007; Dauphinee 2007). In a period of growing health workforce migration (OECD 2007), this is a timely investment in immigrant labour market integration.

percent risk of subprofessional employment if qualified in society, culture and creative arts, compared to a 15 percent risk in engineering, 12 percent in IT, 11 percent in nursing and 9 percent in medicine. Comparable rates of subprofessional employment for pre-1991 arrivals from China were 40 percent if qualified in society, culture and creative arts, compared to 21 percent in IT or engineering, 18 percent in nursing and 19.5 percent in medicine (table 12). Substantial numbers of migrants qualified in society, culture and creative arts as well as in management and commerce had slipped into clerical, sales or

Table 12
Proportion of Degree-Qualified Migrants in Subprofessional¹ Employment in Canada, by Country/Region of Birth, Vocational/Credential Field and Period of Arrival (percent)

Period of arrival	Vocational/credential field	UK/Ireland	South Africa	India	Hong Kong/Malaysia/Singapore	China	Philippines	Eastern Europe
Before 1991	Information technology	12.2	19.0	20.3	17.2	20.9	25.9	15.3
	Engineering	15.2	14.5	29.3	17.4	21.4	60.4	32.4
	Medicine	8.8	5.6	14.4	8.3	19.5	65.1	19.6
	Nursing	11.4	23.4	32.9	17.9	18.1	28.2	27.8
	Society, culture, creative arts	26.8	26.3	55.5	40.0	40.4	55.6	38.3
1991-96	Information technology	10.7	9.5	26.3	20.0	12.5	41.9	8.3
	Engineering	12.0	26.3	34.2	20.1	24.3	71.8	30.8
	Medicine	6.2	3.7	37.6	20.0	43.4	74.2	33.1
	Nursing	16.2	20.3	29.0	16.1	30.4	52.5	36.8
	Society, culture, creative arts	31.4	31.9	67.9	43.9	36.5	62.1	42.7
1996-2001	Information technology	17.0	28.5	28.3	22.3	16.7	37.1	15.2
	Engineering	17.2	18.2	35.7	27.2	29.0	65.5	40.0
	Medicine	16.6	8.6	41.9	28.6	38.7	79.7	39.6
	Nursing	27.3	0.0	55.3	44.1	41.5	60.8	30.6
	Society, culture, creative arts	28.6	21.1	63.2	39.4	39.5	69.6	39.6

Source: 2001 Census (Canada).

¹ Subprofessional employment refers to all work classified as other than professional and managerial.

Generic degrees

To what extent does possession of a generic rather than a vocational degree affect employment outcomes at a time when substantial numbers of such degree holders are being selected? The figures for 1996-2001 include 57,556 migrants to Canada qualified in society, culture and creative arts (compared to 28,377 to Australia); 30,591 qualified in the natural sciences (compared to 11,927); and 29,234 qualified in management/commerce (compared to 22,926).

Regrettably, inferior labour market outcomes were experienced by degree-qualified migrants holding generic degrees in both countries. In Canada, for instance, even pre-1991 UK/Ireland arrivals had a 27

percent risk of subprofessional employment if qualified in society, culture and creative arts, compared to a 15 percent risk in engineering, 12 percent in IT, 11 percent in nursing and 9 percent in medicine. Comparable rates of subprofessional employment for pre-1991 arrivals from China were 40 percent if qualified in society, culture and creative arts, compared to 21 percent in IT or engineering, 18 percent in nursing and 19.5 percent in medicine (table 12). Substantial numbers of migrants qualified in society, culture and creative arts as well as in management and commerce had slipped into clerical, sales or

service positions (22 percent). Less than half had secured any form of professional or managerial work (44 percent), compared to 61 percent of doctors, 59 percent of IT professionals, 50 percent of engineers and 48 percent of nurses. While there appeared to be less risk of skills discounting for immigrants qualified in the natural and physical sciences, far fewer were employed in any profession than was the norm in vocational fields. This phenomenon similarly influenced the level of opportunity for the Canadian-born with generic qualifications; the Australian data showed identical trends.

Policy-makers should be aware that disproportionate numbers of generically qualified migrants will fail to secure professional or managerial work, despite their pos-

session of degrees, and regardless of length of settlement. This form of credential also significantly worsens outcomes for degree-qualified females, older migrants and those from non-English-speaking backgrounds.

The impact of gender on employment outcomes

To what extent does the gender of degree-qualified migrants influence employment outcomes in both Canada and Australia? This is a significant issue, given the growing participation of women in economic migration and their disproportionate qualification in traditionally "male" fields such as engineering (OECD 2008).

According to a mid-1990s study, until the 1980s, the "role of women in international migration was largely unrecognised...[Their] economic and social contributions were considered trivial or non-existent because when women migrated, they were routinely viewed as dependents of male migrants or as passive participants in migration" (Lee 1996, 6-7). Indeed, there was a "taken-for-granted view" that women were "the appendages of either protective males or the patriarchal state" (Fincher et al. 1994, 150).

The past decade, however, has seen rising female participation in economic migration – a process facilitated by women's access to education, employment and contraception, as well as immigrant-receiving nations' establishment of nondiscriminatory entry policies. In 1976, fewer than 15 percent of the 146,400 Asian workers who left their countries to work overseas were female. By the early 1990s, the feminization of Asian labour movements was pronounced, with the majority of Asian temporary migrants being female (particularly those from the Philippines, Indonesia, Sri Lanka and Thailand). An increasing proportion of such women have sought employment throughout Asia, the Middle East and select Western countries as "nurses, doctors, teachers and secretaries – the feminized occupations," despite the persistent image of women as unskilled workers or "trailing spouses" (Lim and Oishi 1996, 26). Few governments to date have examined this feminization of skilled migration flows in terms of labour market outcomes, though academics have demonstrated a growing interest (see, for example, Hugo 1990; Boyd 1992a, 1992b; Boyd, DeVries and Simkin 1994; Fincher et al. 1994; Zlotnik 1995; Lee 1996; Yeoh and Khoo 1998; Hawthorne 1996, 2001).

The analysis of the 2001 Census undertaken for this study confirmed that degree-qualified migrant women had secured very different employment outcomes compared to men. It is thus essential to examine this

briefly, given that 33 percent of all female migrants to Canada from 1996 to 2001 were degree-qualified, compared to 41 percent of males (the comparable figures for Australia are 25 percent and 27 percent).

In Canada, female migrants (in all immigration categories) performed significantly worse than migrant males in the same age group and field and worse than the Canadian-born of either gender. For example, 66 percent of recent migrant female IT professionals had secured professional or managerial work by 2001, compared to 71 percent of migrant males, 78 percent of Canadian females and 81 percent of Canadian males (table 13a). The comparable figures for engineering were 51 percent versus 62, 72 and 80 percent; for architecture and building, 45 percent versus 58, 74 and 83 percent; for medicine, 62 percent versus 81, 87 and 93 percent; and for accounting, 54 percent versus 68, 83 and 87 percent. Employment outcomes were even worse for migrant women holding generic

Table 13a
Professional/Managerial Employment among Recent Immigrants by Gender and Vocational Field, Canada, 2001 (percent)

Vocational field	Immigrants 1996-2001		Canadian-born	
	Female	Male	Female	Male
Information technology	66	71	78	81
Engineering	51	62	72	80
Architecture and building	45	58	74	83
Medicine	62	81	87	93
Accounting	54	68	83	87
Management and commerce	49	61	68	73

Source: 2001 Census (Canada).

Table 13b
Professional/Managerial Employment among Recent Immigrants by Gender and Vocational Field, Australia, 2001 (percent)

Vocational field	Immigrants 1996-2001		Australian-born	
	Female	Male	Female	Male
Information technology	57	67	67	78
Engineering	38	57	67	75
Architecture and building	47	58	65	68
Medicine	72	87	89	95
Accounting	49	67	71	78
Management and commerce	n.a.	n.a.	n.a.	n.a.

Source: 2001 Census (Australia).

degrees. In management and commerce, for instance, 49 percent of migrant females had secured professional or managerial work, compared to 61 percent of migrant males, 68 percent of Canadian females and 73 percent of Canadian males.

Highly comparable trends were evident for women who had recently migrated to Australia. For example, 57 percent of migrant female IT professionals had secured professional or managerial work, compared to 67 percent of migrant males, 67 percent of Australian females and 78 percent of Australian males. The figures for engineering were 38 percent (far worse than in Canada) versus 57, 67 and 75 percent; for architecture and building, 47 percent versus 58, 65 and 68 percent; for medicine, 72 percent versus 87, 89 and 95 percent; and for accounting 49 percent, versus 67, 71 and 78 percent. As in Canada, outcomes were inferior for migrant women qualified in generic fields (table 13b).

On a more positive note, the study found that young, recently arrived migrant women in Australia had approximated or exceeded male migrants' professional integration rates across a range of fields. Furthermore, they had achieved higher professional or managerial employment levels than comparable males in the natural and physical sciences, medicine, nursing, education, and management and commerce, with near equivalence in all other fields examined. Within this context, gender-related outcomes merit careful policy monitoring by the Canadian and Australian governments.

The impact of age on employment outcomes

To what extent does age at time of migration affect employment outcomes for recent degree-qualified professionals? Australia awards no economic points for applicants older than 44, while Canada deducts two points per year for PAs who are 50 and over. Is this policy decision justified by the Census analysis (in all immigration categories)? The answer is yes.

Age significantly influenced employment outcomes for 1996-2001 degree-qualified arrivals, although this pattern was mediated by level of demand by field. In both Canada and Australia, native-born recent graduates enjoyed greater access to work in every profession examined than 1996-2001 migrant arrivals (of all ages). Outcomes by age and gender were most similar to native-born workers for migrants from ESB source countries (UK/Ireland, US, Australia/New Zealand, Canada and South Africa), in addition to those from Northwestern Europe. Degree-qualified male migrants aged 25 to 44 fared best in Canada and Australia, out-

performing the older age group (45 to 64 years) and doing infinitely better than newly arrived young graduates (aged 15 to 24 years; see the next section). Of the recently arrived 25-to-44-year-old male graduates from UK/Ireland in Canada, for example, 75 percent had secured work in their own or another profession by 2001, compared to 57 percent of 45-to-64-year-olds (the comparable figures for Australia were 74 percent and 67 percent).

A recent OECD analysis confirmed that young, overseas-qualified graduates, by contrast, faced catastrophic levels of labour market rejection if they did not come from ESB source countries (OECD 2006). For example, just 9 percent of young foreign-born accountants had found work in their field in Canada within the first five years of arrival, compared to 8 percent of engineers, 11 percent of commerce graduates, 16 percent of teachers and 22 percent of IT professionals (table 14). The comparable figures for Australia were: accounting, 20 percent; teaching, 26 percent; commerce, 5 percent; and IT, 16 percent. Given a choice between degree-qualified locals or new migrant graduates of identical age, Canadian and Australian employers emphatically preferred the former – this at a time when Canada was characterized by a more difficult employment context for young graduates.

The value of host-country degrees to employment outcomes

The Census confirmed that it is highly advantageous for young, degree-qualified migrants to possess host-country rather than overseas degrees. This finding affirms Australia's growing selection of "onshore" (that is, former international student) applicants (Birrell, Hawthorne and Richardson 2006; Birrell 2008). Length of residence in the host country mattered, however, as employers sought a high degree of acculturation.

Young migrants with local degrees residing in Australia between 5 and 10 years achieved less positive outcomes than those residing in Australia 10 years or more. For example, 77 percent of Australian-born new accounting graduates had secured work in 2001 compared to 70 percent of overseas-born local graduates resident 10 years or more, and just 55 percent of 1991-96 arrivals. Overall employment rates for 1991-96 arrivals with Australian degrees were 34 percent for youth born in UK/Ireland, 39 percent for those born in Eastern Europe, 38 percent for Other Middle East/North Africa, 34 percent for Northwestern Europe, 31 percent for India and Other South/Central Asia, 28 percent for the Philippines, 26 percent for Hong Kong/Malaysia/Singapore and 19 percent for China.

This trend is confirmed by the most recent Australian data (May 2006). Of recent economic migrants with Australian degrees (in all fields), 83 percent had found work within six months – an excellent rate. However, just 46 percent of young graduates were immediately using their professional credentials to work, compared with 63 percent of older offshore applicants (the latter had 82 percent employment rates).

New graduates with Australian degrees were also paid less than offshore migrants (drawing annual salaries of AUD\$33,000, compared to AUD\$52,500). Weekly earnings were correspondingly lower (AUD\$641, compared to AUD\$1,015), and job satisfaction was less (44 percent of former international students liked their work, compared to 57 percent of recent offshore migrants) (Birrell, Hawthorne and Richardson 2006).

Table 14
Labour Market Outcomes of Recent Canadian- and Foreign-Born Graduates,¹ by Period of Arrival and Vocational Field, 2001 (percent)

Vocational field	Origin	Period of arrival	Own profession	Any employment	Unemployed
Nursing	Canadian-born Foreign-born	Before 1991	17	82	9
		1991-95		53	
		1996-2001		41	
				67	
Teaching	Canadian-born Foreign-born	Before 1991	30	80	9
		1991-95	19	67	10
		1996-2001	9	38	
			16	35	13
Accounting	Canadian-born Foreign-born	Before 1991	46	79	7
		1991-95	44	75	7
		1996-2001	33	60	10
			9	41	16
Medical studies/medicine	Canadian-born Foreign-born	Before 1991	25	58	9
		1991-95	16	48	7
		1996-2001	17	51	10
					18
Information technology	Canadian-born Foreign-born	Before 1991	40	71	13
		1991-95	38	65	11
		1996-2001	33	55	18
			22	50	19
Engineering	Canadian-born Foreign-born	Before 1991	22	67	14
		1991-95	20	58	13
		1996-2001	20	49	19
			8	44	19
Architecture and building	Canadian-born Foreign-born	Before 1991	29	68	14
		1991-95	33	33	20
		1996-2001	17	32	20
				33	
Society, culture and creative arts	Canadian-born Foreign-born	Before 1991	10	73	13
		1991-95	6	61	17
		1996-2001	3	55	17
			4	50	16
Rest of management and commerce	Canadian-born Foreign-born	Before 1991	17	75	12
		1991-95	15	70	11
		1996-2001	11	52	15
			11	53	12
Natural and physical sciences	Canadian-born Foreign-born	Before 1991	6	65	13
		1991-95	6	60	11
		1996-2001	2	57	15
				40	18

Source: 2001 Census (Canada).

For methodological purposes it is assumed here that 15-24-year-old degree-qualified migrants who arrived in Canada and Australia prior to 1996 would have completed their degrees in their host country, rather than their country of origin. (Please note that cell sizes for both Canada and Australia are sometimes very small in this part of the analysis, in particular for 1996-2001 arrivals.)

The Canadian data confirmed the existence of a tougher overall entry market for new graduates. For each cohort of young migrant graduates examined, the level of professional employment was lower than it was for those who had resided in the country longer, despite possession of a Canadian degree,¹⁷ which conferred a definite advantage (table 14). For example, 46 percent of recent Canadian-born accounting graduates had found work in their field, compared to 44 percent of foreign-born residents who had graduated in Canada and who had resided in the country for 10 years or more, and 33 percent of those who had lived in Canada between 5 and 10 years. As was the case in Australia, far lower employment outcomes were experienced by newly arrived young graduates qualified overseas. Just 6 percent (not shown) of such migrants qualified in medicine or medical science found work in their fields in Canada in the first five years, compared to 8 percent of those in engineering, 9 percent of those in accountancy, 22 percent of those in IT and 4 to 11 percent of those in generic fields. As in Australia, the combination of recent

foreign training and minimal work experience sharply reduced local employer interest.

The impact of location on employment outcomes

The impact of location on employment outcomes was found to be minimal in the 2001 Census analysis. Toronto attracted by far the largest number of degree-qualified immigrants arriving in Canada between 1996 and 2001 – 381,232 (compared to 141,245 for Vancouver, 112,234 for Montreal, 56,911 for Quebec City, 52,020 for Ottawa-Hull and 257,816 for the rest of Canada) – although Vancouver had received a disproportionate number of skilled migrants in terms of overall population share (see Schellenberg 2004).

In virtually every census metropolitan area (CMA) examined, the best labour market integration rates were secured by 1996–2001 migrants from source countries favoured by Canadian employers when selecting temporary foreign workers: degree-qualified arrivals from the UK/Ireland, the US, South Africa, Australia/New Zealand and Northwestern Europe (table 15a).

Table 15a
Birthplaces of Degree-Qualified Migrants with Employment Rates of 75 Percent or More, by Select Census Metropolitan Area, 1996–2001 Arrivals, Canada, 2001 (percent)

Country/region of birth	Toronto	Vancouver	Montreal	Quebec City	Ottawa-Hull	Rest of Canada
UK/Ireland	86	85	81		84	82
Northwestern Europe	86	82	84	77	81	83
Australia/New Zealand	82	79			78	79
South Africa	85	84				87
US	85	84	80	82	80	82
Central/South America	84	76	75		81	81
Philippines	83	79				83
Hong Kong/Malaysia/Singapore	79				85	81
India	79	79			77	77
Eastern Europe	80	76	75		77	78
Southeastern Europe	80	75			77	79

Source: 2001 Census (Canada).

Table 15b
Birthplaces of Degree-Qualified Migrants with the Lowest Employment Rates,¹ by Select Census Metropolitan Area, 1996–2001 Arrivals, Canada, 2001 (percent)

Country/region of birth	Toronto	Vancouver	Montreal	Quebec City	Ottawa-Hull	Rest of Canada
India				31		
Other South/Central Asia	70	68		38		68
China	68	63	49	37		
Taiwan	64	47	48		63	55
Eastern Europe				52		
Iraq	71	30	50		39	64
Other Middle East/North Africa					72	67
Australia/New Zealand			50			
South Africa					66	

Source: 2001 Census (Canada).

The table shows the four birthplaces with the lowest employment rates.

As table 15b shows, certain birthplace groups of recently arrived degree-qualified migrants were the least likely to have found any form of work in the CMAs examined, with strikingly poor employment outcomes for select birthplace groups in Montreal, Quebec City and Vancouver (although they had a lower risk of poor employment outcomes in Toronto and the rest of Canada). It is important to note the numerical importance of some groups who were among the least likely to be employed in the stated CMA, but also happened to belong to the top-four arrival groups for each location in 1996-2001:

- Toronto – Other South/Central Asia (42,264) and China (33,887)
- Vancouver – China (17,857) and Taiwan (11,554)
- Montreal – China (9,390)

Identical trends were found in the impact of location on employment outcomes in Australia.

Employment Outcomes for Economic Principal Applicants

The migration context

Having demonstrated with the 2001 Census analysis that there are minor differences in employment outcomes for most recent degree-qualified migrants to Canada and Australia (in all immigration categories), this study will now assess the extent to which Australia's divergence from the human capital model of economic selection had resulted in improved economic outcomes.

Canada's and Australia's economic migration programs include a range of subcategories, with variable terms and conditions. For the purposes of the current study, the two numerically dominant and most directly equivalent subcategories were selected for all data analysis; both are points-tested:

- The "skilled worker" category for Canada and the "independent" category for Australia – where PAs are selected wholly on the basis of their perceived capacity for labour market integration, including the potential to use their skills at an appropriate level (points allocated on the basis of attributes such as qualification level, prior work experience, age, etc); and
- The "assisted relatives" category for Canada and the "concessional family/skilled Australia-Linked" category for Australia – where PAs require slightly lower points for eligibility, given selection on the

basis of relationship to family members established in the host country, in addition to the allocation of points (as above) related to their perceived capacity for labour market integration.

Three longitudinal data sources were used:

- The Longitudinal Survey of Immigrants to Australia (LSIA), based on recurrent interviews, commencing six months after arrival, with a representative sample (5 percent) of migrants and refugees entering Australia, administered to date three times (LSIA 1 in 1993-95, LSIA 2 in 1999-2000 and LSIA 3 in October 2005)
- The Longitudinal Survey of Immigrants to Canada (LSIC), based on recurrent interviews with a representative sample of migrants and refugees to Canada conducted six months, two years and four years after arrival (LSIC 1 was administered in 2000-01)
- The Longitudinal Immigration Database Canada (IMDB), a semilongitudinal database that tracks individual migrants through tax returns from their first year of filing. For this study, analysis of data for recently arrived economic migrants who had filed their first returns in 1994-95 and in 1999-2000 (up to a year after arrival) was used, facilitating comparison with LSIA 1 and LSIA 2 data for similar vintages of degree-qualified migrants. By definition, the IMDB provides indicative rather than identical data.

The research assessed employment patterns of recently arrived economic PAs in their first 6 to 12 months of residence in Canada and Australia¹⁸ – a far more immediate time frame than that accessible through 2001 Census data, and one that is highly predictive of longer-term outcomes (Birrell, Hawthorne and Richardson 2006). Key findings from this analysis are summarized in turn below.

Employment outcomes for economic migrants to Canada and Australia were comparable in the mid-1990s, but only those of Australian economic PAs had greatly improved by 1999-2000

Following the significant changes to migration selection criteria that were introduced in Australia in 1999, independent migrants' employment rates within six months of arrival had surged from 57 percent in 1993-95 to 81 percent in 1999-2000. Unemployment had dropped, and labour market participation rates had increased. Excellent employment gains were also evident for the concessional family category (rising from 46 percent to 69 percent). By contrast, in Canada, where immigrants' education levels were higher but the source countries were rapidly diversifying, there

appeared to have been a slight decline in employment rates for skilled workers (from 64 percent in 1994-95 to 60 percent in 2000-01, with assisted relatives faring much worse (dropping from 57 percent in 1994-95 [IMDB approximation] to just 36 percent in 2000-01).

Outcomes have continued to improve for PAs in both economic categories in Australia in the past five years: LSIA 3 data for 2005 confirm that 83 percent of independent PAs have found work within six months (as have 72 percent of comparable Australian-sponsored migrants); 12 percent of economic PAs were unemployed, and just 5 percent were not in the labour force – a marked improvement since 1999-2000, when the corresponding rate was 15 percent.

Levels of employment and job satisfaction had substantially improved for economic PAs in Australia since the mid-1990s; select outcomes were also improving in Canada

In line with Australia's generally superior employment outcomes, professional/managerial positions proved more accessible to independent migrants in Australia, the rates rising from 55 percent in 1993-95 to 60 percent by 1999-2000. Concessional family rates, however, remained comparable to those in Canada (reflecting these migrants' lower points requirement): just 32 percent of the employed found high-skilled positions by 1999-2000. At that time, 85 percent of employed independent PAs also stated they were actively using their credentials within six months, compared to just 64 percent of concessional family workers (a modest improvement over 1993-95).

The latest available Australian data, for 2005, confirm that 63 percent of all independent arrivals were using their qualifications to work, compared to 49 percent of the Australian-sponsored. This is a positive outcome, given that the figures now include substantial numbers of recently graduated international students. (Comparable data were not available for Canada.)

The data confirmed job satisfaction to be good but static for concessional family PAs in Australia – about 45 percent for both 1993-95 and 1999-2000. By contrast, independent PAs had become increasingly satisfied with their positions: in 1999-2000 61 percent claimed to "love or really like" their work, compared to 50 percent six years earlier. Data for 2005 confirmed this generally positive result: 57 percent of independent migrants liked their work and 31 percent considered it "okay," compared to 50 and 37 percent, respectively, of offshore Australian-sponsored migrants and 44 and 40 percent of former international students

(the latter were far more likely to be working in less-skilled positions, given their new graduate status).

Data categorizing the type of positions secured by employed economic PAs in Canada were not provided in LSIC 1. However, IMDB data suggested that positive trends occurred from 1994-95 to 1999-2000: 32 percent of skilled workers had managerial or professional work by the mid-1990s, compared to 54 percent by the end of the decade. Growth in professional/managerial positions from 22 to 36 percent also occurred for assisted relatives. The IMDB does not provide job satisfaction data; however, LSIC 1 demonstrated that 73 percent of skilled workers in Canada were "positive" about their employment by 2000-01, along with 70 percent of assisted relatives. LSIC data confirmed that two years after arrival, 84 percent of those in work were satisfied with their employment.

Salaries had risen markedly for economic PAs in Australia by 1999-2000, but not for those in Canada

In Australia, weekly earnings also greatly improved for employed independent PAs between 1993-95 and 1999-2000: 57 percent earned AUD\$674 or more, compared to just 39 percent six years earlier. By 1999-2000, 76 percent of employed independent migrants were earning more than the median wage (AUD\$154), along with 63 percent of concessional family migrants. Growth in income was also positive for concessional family workers, with the proportion of PAs in this category earning above the median wage rising from 23 to 34 percent. While trend data for Canada were not available, earnings at the time of LSIC 1 (2000-01) were significantly lower in Canada than in Australia: 33 percent of skilled economic migrants were paid C\$618 or more per week, compared to just 11 percent of employed assisted relatives.

Australian data for 2005 reveal that income levels rose even higher after 1999-2000 (in stark contrast to the trend now evident in Canada): 65 percent of independent PAs were earning over AUD\$674 per week; their average weekly wage was an extraordinary AUD\$1,015. This compared to 46 percent of offshore Australian-sponsored PAs (who earned an average weekly wage of AUD\$779) and 40 percent of onshore former international students, who were new graduates lacking professional experience (they averaged AUD\$641 per week, but this will likely increase over time).

Employment outcomes had also improved for economic PAs in Australia for all birthplace groups, including those that were typically disadvantaged

As established by the Census data analysis, select developing-country birthplace groups were at risk of

severe labour market disadvantage in both countries (in all immigration categories). The Australian data, however, confirmed tremendous gains in early

employment outcomes for such migrants when screened by the new selection criteria, with more recent economic PAs proving far more acceptable to employers than their previous birthplace counterparts. This was a very encouraging finding.

In 1993-95, for example, 85 percent of UK, 76 percent of South African and 73 percent of Northwestern European economic migrants were employed within six months of arrival. This compared to 56 percent of economic migrants from India, 53 percent from Hong Kong/Malaysia/Singapore, 45 percent from China, 42 percent from the Middle East/North Africa and 31 percent from Eastern Europe (table 16a). By 1999-2000, this Australian disadvantage gap had largely closed: 86 percent of UK, 89 percent of South African and 83 percent of Northwestern European PAs were working within six months, compared to 73 percent from India, 72 percent from the Middle East/North Africa, 68 percent from Hong Kong/Malaysia/Singapore, 61 percent from China, and 79 percent

Table 16a
Short-Term Employment Rates¹ among Newly Arrived Principal Economic Applicants, Pre- and Post Immigration Reform,² by Birthplace, Australia

Country/ region of birth	1993-95 arrivals (%)	1999-2000 arrivals (%)
UK/Ireland	85	86
South Africa	76	89
Northwestern Europe	73	83
Eastern Europe	31	79
Philippines	57	76
India	56	73
Hong Kong/Malaysia/ Singapore	53	68
China	45	61
Middle East/North Africa	42	72
North, Southeast, Central Asia	40	77

Sources: LSIA1 (1993-95) and LSIA2 (1999-2000).

¹ Rate of employment within six months of arrival.

² The reforms were introduced in 1999.

Table 16b
Short-Term Employment Outcomes¹ of Newly Arrived Principal Economic Applicants, by Birthplace, Select Years, Canada (percent)

Country/region of birth	1994		1999		2000-01	
	Employed	Other	Employed	Other	Employed	Other
UK/Ireland	86.9	13.1	88.7	11.3		
US	89.5	10.5	83.0	17.0		
South Africa	76.7	23.3	81.6	18.4		
Australia/New Zealand	84.6	15.4	100.0	0.0		
India	71.8	28.2	78.9	23.7	76.1	23.9
Pakistan	56.5	43.5	59.6	40.4	65.8	34.2
Hong Kong/Malaysia/Singapore	38.5	61.5	53.1	46.9		
China	72.9	27.1	57.3	42.7	48.0	52.0
Taiwan	37.5	62.5	24.7	75.3		
Philippines	78.0	22.0	83.2	16.8	84.1	15.9
Vietnam	67.7	32.3	62.5	37.5		
Indonesia	66.7	33.3	66.7	33.3		
Lebanon	52.5	47.5	46.3	53.7		
Iraq	58.8	41.2	44.7	55.3		
Iran					49.2	50.8
Romania					69.9	30.1
Russia					63.6	36.4
Sri Lanka					81.3	18.7
South Korea					32.6	67.4
Morocco						
Other Africa/Middle East	57.6	42.4	54.8	45.2		
Other Europe	61.4	38.6	65.2	34.8		
Northwestern Europe						
Eastern Europe						
Southeastern Europe						
Other Asia/Pacific	58.7	41.3	49.7	50.3		
Other South/Central America	74.5	25.5	74.1	25.9		
Other countries					61.5	38.5
Not stated	25.0	75.0	40.0	60.0		
Total	64.2	35.8	62.0	38.0		

Source: IMDB and LSIC.

¹ Employment status within six months of arrival.

from Eastern Europe (the improved outcomes for Eastern European arrivals are particularly notable).

In Canada, improved labour market integration rates were also achieved by economic PAs from the UK (87 percent in 1994-95, rising to 89 percent in 1999-2000 based on IMDB data), from the Philippines (78 percent, rising to 84 percent in 2000-01), from India (72 percent, rising to 76 percent) and from Pakistan (57 percent, rising to 66 percent). However, far more variable labour market integration rates remained the norm for other economic PA groups: 53 percent from Hong Kong/Malaysia/Singapore were employed in 1999 (compared to 39 percent in the mid-1990s) and 48 percent from China in 2000-01 (apparently declining from 73 percent). These outcomes almost certainly reflected nonrecognized credentials, as well as Canadian employer wariness regarding the calibre of foreign training systems and applicants' ability to speak French or English (see table 16b).

Australian labour market integration rates had markedly improved for both male and female economic PAs, as well as across all age groups

Australia's changed economic selection criteria have diminished both female and male economic migrants' disadvantage to a high degree: employment rates for female PAs rose from 49 to 71 percent between 1993-94 and 1999-2000; comparable male rates were only slightly higher (rising from 53 to 78

percent). By contrast, female economic PAs in Canada appeared to have experienced employment decline in this period (assuming comparability between the LSIC and the IMDB). The 2000-01 employment rate for female immigrants six months after arrival was 55 percent, compared to 63 percent in 1994-95. For male immigrants, the rates were 62 and 65 percent. This finding is problematic, given the increasing flow to Canada of female immigrants with relatively high qualifications, as demonstrated in the previous analysis (OECD 2008).

Age-related selection changes have also been beneficial to Australia. By the late 1990s, older migrants (44 years and older) were receiving no economic category points for age at all. This change is associated with very positive outcomes (older applicants are now obliged to score high on other employment-related measures). By 1999-2000, 77 percent of 25-to-44-year-old economic PAs had secured work in Australia within six months, compared to 70 percent of 15-to-24-year-olds and 59 percent of 45-to-64-year olds. These results for older workers are noteworthy: their employment rate nearly doubled within six years (reflecting their premigration screening for credential recognition, English-language ability and other employer-desired attributes that offset the disadvantage typically associated with older age) (see table 17).

Canada continued to accept substantial numbers of economic PAs over 45 years of age from 1991 to 2003, despite some decline in this trend. However, Canadian

Table 17
Short-Term Employment Outcomes¹ among Newly Arrived Economic Principal Applicants, by Age, Select Years, Canada and Australia (percent)

Canada						
	1994		1999		2000-01	
Age group	Employed	Other	Employed	Other	Employed	Other
15-24 years	78.8	21.2	76.4	23.6	80.4	19.6
25-44 years	64.9	35.1	62.5	37.5	60.7	39.3
45-64 years	51.6	48.4	50.3	49.7	50.2	49.8
All	64.4	35.6	62.1	37.9	60.0	40.0
Australia						
	1993-95		1999-2000			
Age group	Employed	Unemployed/ not in labour force	Employed	Unemployed/ not in labour force		
15-24 years	54.7	45.3	69.6	30.4		
25-44 years	53.3	46.7	77.1	22.9		
45-64 years	32.1	67.9	59.4	40.6		
All	51.9	48.1	75.8	24.2		

Sources: Canada – IMDB and LSIC; Australia – LSIA.

¹ Employment status within six months of arrival.

employers strongly favoured young skilled workers in all three periods examined: 80 percent of 15-to-24-year-olds were employed in 2000-01 (in all fields, compared to 79 percent in 1994), 61 percent of 25-to-44-year-olds (compared to 65 percent) and 50 percent of 45-to-64-year-olds (compared to 52 percent). This policy issue may be worth examining.

Externally validated host-country language screening was associated with greatly improved work outcomes

As has been established by many reports, facility in the host-country language(s) is a critical determinant of employment outcomes in knowledge economies, an issue not examined with 2001 Census data, given the notorious unreliability of self-reporting.¹⁹

According to two recent Canadian studies, host-country language ability is "the particular form of human capital that seems to matter most," while "the higher...an immigrant's official language capability, the greater the employment and earnings opportunities" (Thompson and Worswick 2004; Hiebert 2006). An identical trend is evident in Australia. A series of labour market reports on economic migrants have confirmed the inferior employment outcomes achieved by NESB migrants, despite their possession of generally higher qualifications. NESB workers secured worse outcomes at every age, with recessions rendering them particularly vulnerable in terms of employment. They had difficulty converting overseas credentials into appropriate-status work, locating this work in the fields for which they were qualified and securing adequate earnings. By 1981, it had been demonstrated that poor English-language competence "doubled the probability of [males] being unemployed"; with unemployment predictors including English-language ability, birthplace, period of residence in Australia and country in which formal qualifications had been gained (Australia, Bureau of Labour Market Research 1986, 86). By 1989, poor English-language ability was considered to represent "an awesome and devastating barrier" at every stage of the employment life cycle in Australia (Australia, Office of Multicultural Affairs 1989, 39). Moreover, the Australian evidence up to 1994 demonstrated that as the education level increased, "the labour market position of immigrants vis à vis the Australian-born systematically deteriorate[d]" (Wooden 1994, 230).

Comparable trends are evident in Canada, demonstrating that the higher an immigrant's offi-

cial-language capability, the greater that person's employment and earnings opportunities (see, for example, Citizenship and Immigration Canada 1998; Chiswick and Miller 2000a, 2000b). Analyzing the effect of language literacy on earnings based on national data, a recent Canadian study stated that

immigrants and the native born appear to obtain the same return for their literacy skills. We argue that this does not support a discrimination explanation for immigrant-born earnings differentials. Immigrant shortfalls in literacy can account for about one-half of the earnings gap between university educated immigrants and similarly educated native-born workers. However, low returns to foreign acquired experience have a larger impact in the differential and those low returns are not related to literacy differences. Thus, low literacy among immigrants is an important input to understanding immigrant-native born earnings differentials but is not the dominant explanation. (Ferrer, Green and Riddell 2004, 3)

Increasingly, the argument is made that migrants cannot take their place in the knowledge economy without spoken and written fluency in the host-country language(s). Host-country language facility also interacts with other labour market attributes, such as gender (Boyd, De Vries and Simkin 1994); and in communicative professions such as medicine, nursing, teaching and engineering, it is regarded as critical (see, for example, Hawthorne and Toth 1996; Pawlikowska-Smith 2000; Centre for Canadian Language Benchmarks 2002). Canada's medical, nursing and engineering regulatory bodies, for example, have now all identified high-level English/French language ability as an essential entry requirement for professional practice.

To what extent are these language-related findings confirmed by the longitudinal data analysis, now that Australia has mandated externally validated pre-migration English-language assessment for economic PAs while Canada continues to allow for English/French self-assessment?²⁰

The LSIA showed a marked recent increase in the proportion of economic PAs using English well or very well in Australia (45 percent in 1993-95, compared to 73 percent in 1999-2000). The employment gap between immigrants with high-level and low-level English was also vast by 1999-2000: 73 percent of the former secured work, compared to just 41 percent of the latter (table 18). The LSIA further allows us to assess English-language ability for recent immigrants by gender. Female economic PAs selected by Australia had matched or exceeded comparable males

Table 18
Short-Term Employment Outcomes among Newly Arrived¹ Principal Economic Applicants, by Language Ability, Various Survey Years, Canada and Australia (percent)

Canada							
		1994		1999		2000-01	
Language	Level	Employed	Other	Employed	Other	Employed	Other
English		64.6	35.4	62.9	37.1		
French		65.6	34.4	62.3	37.7		
English and French		64.7	35.3	62.9	37.1		
Neither		62.3	37.8	52.9	47.1		
English and/or French	Knows very well/well					61.5	38.5
	Knows not well/						
	not at all					50.8	49.2
All		64.5	35.5	62.2	37.8	60.0	40.0
Australia							
		1993-95		1999-2000			
Category	Level	Employed	Unemployed/ not in labour force	Employed	Unemployed/ not in labour force		
English	Knows very well/well	44.5	55.5	73.1	26.9		
	Knows not well/						
	not at all	28.1	71.9	40.9	59.1		
All		39.8	60.2	71.1	28.9		

Sources: Canada – IMDB and LSIC; Australia – LSIA.
 Employment status within six months of arrival.

in terms of host-country language ability: 93 to 98 percent of female independent PAs spoke English well or very well, despite somewhat lower rates in the concessional family category. This seems certain to have contributed to the positive employment outcomes reported by females.

Australia's 2005-06 skilled migration review confirmed the critical association between independently assessed English-language ability and the speed with which migrants integrated into the labour market: 89 percent of economic PAs with English as their "only or best" language were employed within six months of arrival, compared to 86 percent of those who spoke English "very well," 76 percent of those who spoke it "well" and 59 percent of those who spoke it "not well." PAs with the best command of English were also the most likely to be using their professional qualifications to work (61 percent, compared to 60, 44 and 37 percent), and they were most likely to be employed in professional or managerial positions.

The LSIC data confirmed that migrants with knowledge of English and/or French were highly advantaged in terms of access to employment. Given the lack of language levels for LSIC and IMDB data, however, it was not possible to make more meaningful comparisons in relation to this over time.

Improved employment outcomes for economic migrants were found in major migration settlement locations in both countries

In line with the 2001 Census data, employment outcomes for economic PAs varied across the Australian locations analyzed: by 1999-2000, 81 percent had secured work within six months of arrival in Sydney, compared to 73 percent in other Australia and 70 percent in Melbourne; there were markedly better outcomes in each location than there were in 1993-95. Similarly, analysis of the longitudinal data confirmed that economic PAs located in Toronto (65 percent) and in other Canadian CMAs (69 percent) had better immediate employment outcomes than migrants settling in Vancouver (56 percent) or Montreal (just 38 percent).

Welfare dependence had also declined among economic PAs in both countries

Welfare dependence had virtually disappeared in Australia for independent and concessional family immigrants by 1999-2000, reflecting government policy barring access to welfare in the first two years of arrival. While in 2005, 12 percent of economic PAs were categorized as unemployed after six months of arrival, these people would have been ineligible to receive benefits. In Canada, reliance was also very low for other skilled worker and assisted relative PAs in 2000-01 (just 8 percent of households).

Conclusion

As established by the Census data analysis, Canada and Australia are highly comparable settlement sites for degree-qualified migrants (in all immigration categories). However, economic immigrants perform indisputably better in Australia: their employment outcomes within six months of arrival are also strongly correlated with longer-term labour market integration rates (Birrell, Hawthorne and Richardson 2006). Compared to their counterparts in Canada, far greater proportions of new immigrants in Australia secure positions fast, gain professional or managerial status, earn high salaries and use their credentials to work. In the process, unprecedented numbers are avoiding the labour market displacement typically associated with select birthplace, language, age and gender groups. The latest available Australian data (released in May 2006) confirm the ongoing benefits of recent policy refinements.

In redesigning its economic selection criteria in 1999, the Australian government affirmed the program's original intent: to select economic migrants who can make an immediate contribution to the economy by employing their skills at an appropriate place in the labour market. Parallel goals were to reduce skills wastage among recent arrivals and to reduce the level of government investment required to support their labour market adjustment needs (by the mid-1990s, this amounted to some AUD\$250 million of annual federal funding for employment, credential recognition and English-language bridging programs, and even this was inadequate).

The transformation of Australia's economic migration program was viewed as legitimate and essential, given that in Australia, government frames policy but employers retain the power to offer or withhold work. The previous model of selection had proven to be flawed: it delivered PAs lacking the knowledge economy attributes employers sought (sophisticated English-language ability, recognized credentials and qualification in fields associated with buoyant labour market demand).

Since 1999, in consequence of research findings, perceived "employability" has determined PAs' capacity to proceed with economic migration to Australia. In terms of credential recognition, PAs qualified in regulated fields have been required to apply for pre-migration screening by the relevant Australian

national or state licensing bodies (typically, a three-month postal process). This strategy is designed to avoid years of forced labour market displacement due to nonrecognition of skills. Given the existence of niche economies, priority processing has been granted and up to 20 bonus points awarded to applicants qualified in high-demand fields, a measure clearly associated with beneficial outcomes. In recognition of the importance of host-country language ability, candidates have been required to achieve vocational- or higher-level scores on the independently administered International English Language Testing System (or an approved equivalent), administered internationally and monthly by the British Council for a modest fee. The standard is not draconian: the minimum for economic eligibility is defined as "Has partial command of the language, coping with overall meaning in most situations, though is likely to make many mistakes. Should be able to handle basic communication in own field" (English for International Opportunity 2007).

It is essential to note that in terms of overall impact, these policy changes from 1999 have not discouraged or distorted skilled migrant flows to Australia. Intakes of economic immigrants increased to 97,500 in 2005-06 from 77,800 in 2004-05 (they were a third that level in the mid-1990s); the 2007-08 target has since been raised to 102,500. Racial and ethnic diversity have been maintained: in 2006-07, the top five source countries were the UK (18 percent), India (15 percent), China (11 percent), Malaysia (4 percent) and the Philippines (3 percent). Two years earlier, the top 10 were India (19 percent), China (18 percent), the UK (16 percent), Malaysia (4 percent), the Philippines (3 percent), Indonesia (3 percent), Hong Kong (3 percent), Korea (3 percent), Sri Lanka (3 percent) and Singapore (2 percent). Rather than diminishing ethnic diversity, Australia's changed selection criteria have resulted in applicants being far more effectively screened.

In terms of Australia's changed selection framework, it is important, finally, to highlight the positive employment gains achieved by traditionally disadvantaged groups (see table 16a). While the labour market integration of economic PAs from all source countries had improved by 1999-2000, in the case of economic PAs from Eastern Europe, the Middle East/North Africa, India, the Philippines and China, the scale of change had been dramatic. For example, 79 percent of economic PAs arriving from Eastern Europe had found work within six months of arrival

by 1999–2000, compared to 31 percent in 1993–95. The comparable rate for the Philippines was 76 percent (versus 57 percent), with further gains being reported by the time the LSIA 3 was conducted in October 2005. Impressive employment rates had also been achieved by other at-risk groups, including women of all ages and older skilled migrants.

Many former international students had become economic migrant program participants by 2005 (accounting for 52 percent of the total). By definition, such migrants had paid out of their own pockets to meet Australian employers' English-language and credential needs, thus supporting the development of the country's education export industry. Their selection as economic migrants was not viewed as ethically problematic, despite the international debate on this issue. Parents, rather than source countries, had financed these students' tertiary education, with scholarship holders systematically excluded from selection. From an ethical perspective, the recruitment of mature-age professionals who have been fully trained abroad could seem less defensible, even though this has been the recruitment norm in Canada and Australia for many years. Finally, it is important to acknowledge that Australia's skilled migration review uncovered emerging problems in relation to international student flows, most notably a degree of institutional compromise on training quality and acceptable English-language standards (Birrell, Hawthorne and Richardson 2006; Hawthorne 2007b; Birrell, Healy and Kinnaird 2007; Watty 2007).

Since September 2007, decisive steps have been taken to address this issue. Former international students are no longer exempt from English-language testing because it is impossible for the Department of Immigration and Citizenship to police education providers' academic entry and progression standards. For all economic migrants, the International English Language Testing Scheme (IELTS) band 6 has been declared the threshold competence score in the four language skills – significantly up from band 5⁺ (there are 9 bands in all). Liberalized access to postcourse visas will allow former international students an additional 18 months' stay (if required) to gain work experience, improve their English-language skills or undertake a "professional year" related to their field of study. Only passport holders from the UK, Ireland, the US, Canada and New Zealand will be exempt from English testing on transition to economic migration. Significant bonus points will also be awarded to proficient English speakers (25 points for candidates rated

IELTS 7 or above), now a major determinant of selection. The practices of education providers will be better monitored – in particular, those providers operating in the fast-growing, migration-driven vocational training sector. More migration points will be awarded to graduates of Australian institutions who have completed postgraduate programs: most notably, those possessing doctoral degrees (25 points) or three-year qualifications (15 points) (Australia, Department of Immigration and Citizenship 2007a).

Such steps are viewed as essential to maintaining the integrity of Australia's skill migration program. In terms of language measures, they are justified by the review's finding that English-language ability is the major determinant of professional employment outcomes: "We conclude that in most dimensions of labour market success, the key is to have a level of English language competence that enables the respondent to report that they speak English at least 'very well'...[Those who do not] were much more likely to be unemployed; about half as likely as those with better English to be employed in a job commensurate with their skills; and about twice as likely to be employed in a relatively low skilled job" (Birrell, Hawthorne and Richardson 2006, 86–7).

It is beyond the scope of this paper to conclude with policy recommendations, since the mandate of the report on which it is based (as commissioned by Citizenship and Immigration Canada, Statistics Canada and Human Resources and Skills Development Canada) was to compare labour market outcomes for degree-qualified professionals in Canada and Australia based on the available statistical evidence. At the same time, the study demonstrates the extent to which labour market outcomes are amenable to influence by policy change, given the sustained benefits flowing to Australia, following its skilled migration reform undertaken in 1999.¹²

The impact of Canada's *Immigration and Refugee Protection Act* will be assessed at a later date.

Important Canadian initiatives are also underway in relation to foreign credential recognition, the transition of former international students and temporary workers to economic migration (the "Canadian experience" class) and the growth of the Provincial Nominee Program (Citizenship and Immigration Canada 2008; Hawthorne 2007b). Major sums are currently being invested to address labour market barriers for skilled migrants, including well-targeted language and labour market interventions. Alongside such measures, introduction of mandatory premigration English/French-

language assessment may seem warranted for economic PAs, with threshold levels of ability set and test results externally validated. Furthermore, it could make sense to re-evaluate the proportion of points allocated to premigration work experience in a context where "[v]irtually all of the decline in immigrant entry earnings since the 1980s can be explained by a combination of: (1) a change in the source country composition and associated factors including English and French language skills and discrimination, (2) a fall in the return to pre-Canadian labour market experience, and (3) a general fall in new [labour market] entrant earnings" (Sweetman 2005, 8).¹¹ Recently, the federal government proposed changes to the *Immigration and Refugee Protection Act* to modernize the immigration system and make it more responsive to Canada's labour market needs. Under the proposed changes, the minister would get the authority to identify priority occupations and issue instructions to officers to enable rapid acceptance of applicants with skills and experience that correspond to employers' needs.

In an increasingly competitive global environment where governments promote economic migration to support national development goals, the stakes will remain high for both economic migrants and Canada. As established by a recent Statistics Canada review, "If immigrants [escape] low income in their first year, the likelihood of entry in subsequent years [will fall] dramatically to below 10 percent." However, "by the early 2000s, skilled class entering immigrants [to Canada] were actually more likely to enter low-income and be in chronic low-income than their family class counterparts, and the small advantage that the university educated entering immigrants had over, say, the high school educated in the early 1990s had largely disappeared by 2000, as the number of highly educated rose. What did change was the face of the chronically poor immigrant; by the late 1990s one-half were in the skilled economic class, and 41% had degrees (up from 13% in the early 1990s)" (Picot, Hou and Coulombe 2007, 5-6).

Given that newly arrived migrants are more than twice as likely as the Canadian-born to possess degrees, it seems essential to redress this skills wastage.

Appendix

Points Tests for Economic Category Migrants, Canada, Australia, New Zealand and the United Kingdom, 2003-05

Attribute	Canada (2003)	Australia (2005)	New Zealand (2004-05)	United Kingdom (2005)
Skill	<ul style="list-style-type: none"> • Master's or Ph.D.: 25 points • 2 or more bachelor's degrees or trade credential (22 points) • 2-year university degree or trade credential (20) • lower-school/post-school qualifications (5-15) 	<i>Only for officially recognized credentials</i> <ul style="list-style-type: none"> • Occupation-specific training (60 points) • General professional occupations (50 points) • Other general skilled occupations (40 points) 	<i>Only for officially recognized credentials</i> <ul style="list-style-type: none"> • Master's or Ph.D. (55 points) • Trade/tertiary (50 points) 	<ul style="list-style-type: none"> • MBA from one of the world's top 50 schools (65 points) • Ph.D. (30 points) • Master's (25 points) • Bachelor's (15 points) • Trades or professional qualifications, to be assessed based on equivalency to the above UK qualifications (TBA)
Age	<ul style="list-style-type: none"> • 21-49 (10 points) • For each year over 49 or under 21 (deduct 2 points) 	Points only awarded to those aged 18-44 <ul style="list-style-type: none"> • 18-29 (30 points) • 30-34 (25 points) • 35-39 (20 points) • 40-44 (15 points) 	Points only awarded to those aged 18-55 <ul style="list-style-type: none"> • 20-29 (30 points) • 30-39 (25 points) • 40-44 (20 points) • 45-49 (10 points) • 50-55 (5 points) 	<ul style="list-style-type: none"> • Under 28: 5 points
Host-country language ability	<ul style="list-style-type: none"> • Level of ability in English and/or French (2-24 points) • Not essential for skill migration and no obligation for external validation 	<ul style="list-style-type: none"> • Competent English IELTS: 6 average (20 points) • Vocational English, IELTS 5 average (15 points) 	<i>No points</i> <ul style="list-style-type: none"> • Since November 2002, IELTS 6.5 average is a prerequisite for skill PAs 	<i>No points</i> <ul style="list-style-type: none"> • Applicants are asked to rate their English ability as "good-vocational" or "very good/competent" on the eligibility assessment form, but no advice is given on how such information might be used (if at all)
Host-country qualifications	<ul style="list-style-type: none"> • Minimum of 2 years of academic study in Canada (5 points) 	<ul style="list-style-type: none"> • Ph.D. (15 points) • Master's or honours degree (10 points) • Degree, diploma or trade qualification (5 points) 	<ul style="list-style-type: none"> • At least 2 years of study in New Zealand (10 points) 	n.a.
Recent work experience	<ul style="list-style-type: none"> • Up to 4 years' work experience in a skilled (though not specific) occupation (up to 21 points) • Additional threshold requirement of 1 year's full-time work experience in a field on the National Occupation List 	<i>Offshore applicants</i> <ul style="list-style-type: none"> • If experience relates to nominated 60-point occupation (10 points) • If experience is in any 40-, 50- or 60-point occupation (5 points) • 12-24 months of experience essential, depending on specific skill category <i>Onshore applicants</i> <ul style="list-style-type: none"> • Work experience waived for applicants with recent Australian qualifications 	<i>Skilled work experience</i> <ul style="list-style-type: none"> • More than 12 months (60 points) • Less than 12 months (50 points) • Current job offer (50 points) Plus <ul style="list-style-type: none"> • 10 years of relevant work experience (30 points) • 8 years (25 points) • 6 years (20 points) • 4 years (15 points) • 2 years (10 points) 	<ul style="list-style-type: none"> • Graduate-level job - depending on qualification level, age of applicant and calibre of experience (25-50 points)
Achievement in the field	n.a.	n.a.	n.a.	<ul style="list-style-type: none"> • Exceptional (25 points) • Significant (15 points)

Appendix (cont'd)

Points Tests for Economic Category Migrants, Canada, Australia, New Zealand and the United Kingdom, 2003-05				
Attribute	Canada (2003)	Australia (2005)	New Zealand (2004-05)	United Kingdom (2005)
Recent earnings	n.a.	n.a.	n.a.	(Based on an earnings assessment conducted in the past 12 months in the country of origin) ¹ Category A - more than 28 years • £250,000 (50 points) • £100,000 (35 points) • £40,000 (25 points) Less than 28 years • £60,000 (50 points) • £40,000 (35 points) • £27,000 (25 points) Category E • £2,350-£21,875 (25-50 points)
Occupational demand	<ul style="list-style-type: none"> • Permanent or temporary job offer in Canada (10 points) • Minimum 1 year's work experience in Canada (5 points) • Arranged employment in Canada (5 points) 	<ul style="list-style-type: none"> • If the nominated occupation is on the MODL with a job offer (20 points) • If the occupation is on the MODL, but there is no job offer (15 points) 	<ul style="list-style-type: none"> • See bonus points (below); from 2006, 3,000 additional skill places are reserved for applicants with NZ jobs or job offers, with work-to-residence permits reduced from 2 years to 6 months 	<ul style="list-style-type: none"> • General practitioner recognized to work in the UK (50 points)
Regional links	n.a.	<ul style="list-style-type: none"> • Has lived and studied for a minimum of 2 years in regional Australia (5 points)² 	<ul style="list-style-type: none"> • See bonus points (below) 	n.a.
Spouse's skills	<ul style="list-style-type: none"> • Education level (3-5 points) 	<ul style="list-style-type: none"> • If spouse's age, English-language ability, work experience, field and qualifications satisfy selection requirements (5 points) 	<ul style="list-style-type: none"> • Qualification (10 points) 	<ul style="list-style-type: none"> • Undergraduate or higher (10 points) • Vocational or professional qualification equal to degree (10 points) • Current or previous graduate-level work experience without qualification (10 points)
State/territory sponsorship	<ul style="list-style-type: none"> • Select Provincial Nominee Programs in place and expanding 	<ul style="list-style-type: none"> • If applicant is sponsored by an authorized state or territorial body (10 points) 	n.a.	n.a.
Relationship	<ul style="list-style-type: none"> • 5 points 	<ul style="list-style-type: none"> • If applicant is sponsored by a spouse or close relative (15 points) 	<ul style="list-style-type: none"> • 10 points 	n.a.
Bonus points	n.a.	<ul style="list-style-type: none"> • For either capital investment, Australian work experience or fluency in the community language (5 points) 	<ul style="list-style-type: none"> • Qualification in a growth area (10 points) • Qualification in a skills-shortage area (10 points) • Job, job offer or spouse job offer in skill-shortage area or select region (5-10 points)³ 	n.a.

Appendix (cont'd)

Points Tests for Economic Category Migrants, Canada, Australia, New Zealand and the United Kingdom, 2003-05

Attribute	Canada (2003)	Australia (2005)	New Zealand (2004-05)	United Kingdom (2005)
Bonus points (cont'd)	n.a.	n.a.	<ul style="list-style-type: none"> Extended work experience in skill-shortage area or select region (5-15 points) 2-6 years of NZ work experience (5-15 points) 	n.a.
Points required	<ul style="list-style-type: none"> 67 points 	<ul style="list-style-type: none"> 120 pointsⁱⁱⁱ 	<ul style="list-style-type: none"> Eligibility (100 points), then selected by ranking From 2006, applicants securing 140 points or more are automatically accepted 	<ul style="list-style-type: none"> 65 points

Notes:

Applicants are also required to have at least 17 years of equivalent full-time study.

ⁱ International English Language Testing System.

ⁱⁱ Honours degree to be achieved at the upper-secondary level or higher and at least two years of Australian accredited study.

ⁱⁱⁱ A minimum of 2 years of academic study in Australia; from September 2005, a minimum of 16 months of academic study if the summer semester is included.

^{iv} "Exceptional achievement" is defined as that of "a tiny number of people who are right at the top of their profession."

^v Income differences by country are controlled for by 5 categories. This example relates to high-income countries including Australia.

^{vi} Migration Occupations in Demand List.

^{vii} "Regional Australia" is defined as including state capitals with low populations — for example, Adelaide and Hobart.

^{viii} Defined as "outside Auckland."

^{ix} Fewer points are required for select regional migration schemes — in some cases, 100.

Notes

- This paper is based on a study commissioned in 2004 by Statistics Canada, Citizenship and Immigration Canada and Human Resources and Social Development Canada entitled "Labour Market Outcomes for Migrant Professionals: Canada and Australia Compared" (Hawthorne 2007a). I would like to acknowledge the funding support of these bodies and to thank them for granting permission to release an abridged, revised and updated version of the report as an IRPP publication. I also appreciate the statistical assistance provided by Graeme Hawthorne (University of Melbourne), Yuri Ostrovsky and Jessie-Lynn McDonald (Statistics Canada) and Sebastien Vachon and Stanley Kustec (CIC); and the project support of Garnett Picot (Statistics Canada), Elizabeth Ruddick (CIC) and Louis Grignon (HRSDC).
- 1 This refers to countries that choose to actively seek to expand population and/or recruit migrants by a range of immigration program means.
 - 2 The OECD defines an overqualified individual as one who "hold[s] a job that requires lesser qualifications than one that would theoretically be available at his education level" (OECD 2008). See tables 6a and 6b for quantification of the prevalence of this in Canada and Australia, compared to other member nations, circa 2000.
 - 3 "Generic qualifications" are defined for the purpose of this study as those not immediately correlating to a professional field of practice (for example, a BA or B.Sc.).
 - 4 Comprehensive methodological detail for the study is provided in the full Citizenship and Immigration Canada (CIC) report (Hawthorne 2007a), available by request from CIC. Extended interviews were conducted with 32 policy-makers (from CIC and Human Resources and Social Development Canada); researchers (from selected universities as well as Statistics Canada); language and bridging course providers; key personnel in engineering, nursing and medical regulatory bodies (in Ottawa, Toronto and Vancouver); and staff of the nonprofit foreign credential evaluation organization World Education Services. All were selected for their expertise related to labour market outcomes for migrant professionals.
 - 5 For confidentiality reasons, Statistics Canada suppressed small cell counts (less than 5) in the data provided. This procedure was slightly different from other analyses of the census data, where the number of small cell counts suppressed was either less than 5 or less than 10, depending upon the analysis. Therefore, numbers in this report will differ from numbers obtained in other reports where the less-than-10-cases-per-cell rule was used. It is also important to note that Statistics Canada supplied us not with actual figures but with percentages.
 - 6 The aim in doing this for the LSIA 3 was to avoid counting only part-time work as a positive employment outcome – for example, for international students.
 - 7 The educational attainment codes that were used in this study were: 1) Ph.D./master's; 2) bachelor's degree or university certificate above a bachelor's degree; 3) college/university certificate or diploma/advanced diploma/diploma/Certificate IV; 4) no college/university certificate or with diploma/skilled vocational; 5) elementary – secondary/other.
 - 8 These are estimates calculated on the basis of percentages provided in tables 2a and 2b. See note 5 for more details.
 - 9 All information on Canadian immigration flows is derived from the author's analysis of data provided by Citizenship and Immigration Canada in 2005; comparable data was provided by Australia's Department of Immigration and Multicultural Affairs.
 - 10 Employer demand for temporary computing professionals remained high in 2003-04, accounting for 2,808 new arrivals. By September 2006, reflecting further demand for experienced professionals, six IT fields had also been reinstated on Australia's Migration Occupations in Demand List (20 bonus points) for the selection of landed immigrants.
 - 11 Most Filipino temporary workers have entered Canada to date through the low-skill, employer-driven live-in caregiver category. In December 2007, CIC informed me that this category has been rapidly expanding; workers are required, and CIC can facilitate their transition to permanent resident status. Filipino professionals selected as economic category principal applicants have a very different employment trajectory from those entering through low-skill schemes. Many appear to be of minimal interest to Canadian employers of high-skill workers, and their skills are often seriously discounted due to barriers related to language and credential recognition requirements.
 - 12 "Other Africa" excludes data from South Africa in the Census analysis. Data also had to be aggregated for a range of source countries to allow for meaningful statistical analysis – for example, Hong Kong/Malaysia/Singapore data were aggregated for these comparable Commonwealth Asian source countries. Please see appendix A in the full report for detail on regional categorizations (Hawthorne 2007a).
 - 13 It is challenging to establish an effective methodology for predicting labour market demand by field. Established in 1999, the MODL was designed to factor labour market demand back into selection and to target "occupations or specialisations that are in widespread, persistent and ongoing shortage" in fields "sufficiently large that increased entry by [skilled migrants] would not lead to surpluses in the Australian labour market." The federal Department of Employment and Workplace Relations (DEWR) was charged with providing expert advice in relation to demand and with preparing a list to be updated once (now twice) per year. In formulating the MODL, DEWR assesses the scale of Australian labour market demand in occupations with 1,500 positions or more, leaving the needs of smaller occupations to be addressed by the Employment Nomination Scheme. Skill levels – as designated by degree, diploma or trade qualifications – are expected to be reasonably high. Supply profiles by field are developed by drawing on labour market surveys, graduate employment outcomes, current and future growth trends (including demographic

shifts), variations in employment demand by state and studies of the ease with which advertised vacancies can be filled (factoring in the source and perceived standard of recent appointees). Key criteria for inclusion of an occupation on the MODL include evidence of a national demand for it (based on DEWR's "skills in demand" research); the skill level of the occupation and the existence of an Australian assessment authority; employment size of the occupation; unemployment rate of the occupation; employment growth in the occupation; and the persistence of skill shortages (Australia, Department of Immigration and Multicultural Affairs 2006, chap. 3).

- 14 Please note that the Australian Census favours the recording of "highest qualification" in terms of field. Given this, where postgraduate qualifications have been secured (for example, an MBA), the original vocational field will not be counted (for example, engineering or IT).
- 15 This level of growth would have been influenced by sustained nurse migration to Australia (by comparison, nurse migration levels to Canada were low). It would also have been boosted by the number of diploma-qualified local nurses attaining bachelor's degrees (a growing trend since 1986).
- 16 It is a demand-driven anomaly that temporary resident IMG arrivals are permitted to work in Australia immediately, bypassing all credential examinations, while landed immigrant IMGs are required to take these exams. New South Wales, the major immigrant-receiving province, does not even seek information on the Australian Medical Council examination status of IMGs (Hawthorne, Hawthorne and Crotty 2007).
- 17 The Census data do not give us precise detail on this score. However (as stated in the methodological explanation), it is reasonable to deduce this based on arrival date and date of qualification.
- 18 Please see section 8 of the full report for methodological detail (Hawthorne 2007a). It is important to note here that LSIC and LSIA data were collected six months after arrival, compared to IMDB data, which were collected within the first year. Some additional caveats related to direct comparability are noted in section 8.
- 19 Analyses of census and other data in Australia confirm migrants may overestimate or underestimate their host-country language ability, with no evidence that self-reporting is a reliable measure, or one that correlates with employer expectations of performance.
- 20 Please note that 14 percent of migrants in Canada state that French is their first or second language at point of migration. However, substantial numbers may encounter employment problems if they settle outside Quebec.
- 21 Speaking, listening, reading and writing – the threshold score must be reached on independently validated language tests in all four skills.
- 22 The merits of the Australian model have recently been acknowledged by the UK as a major influence on its newly designed skill migration scheme from 2008.
- 23 For more on the discounting of labour market experience, see also Boudarbat and Boulet (2007).

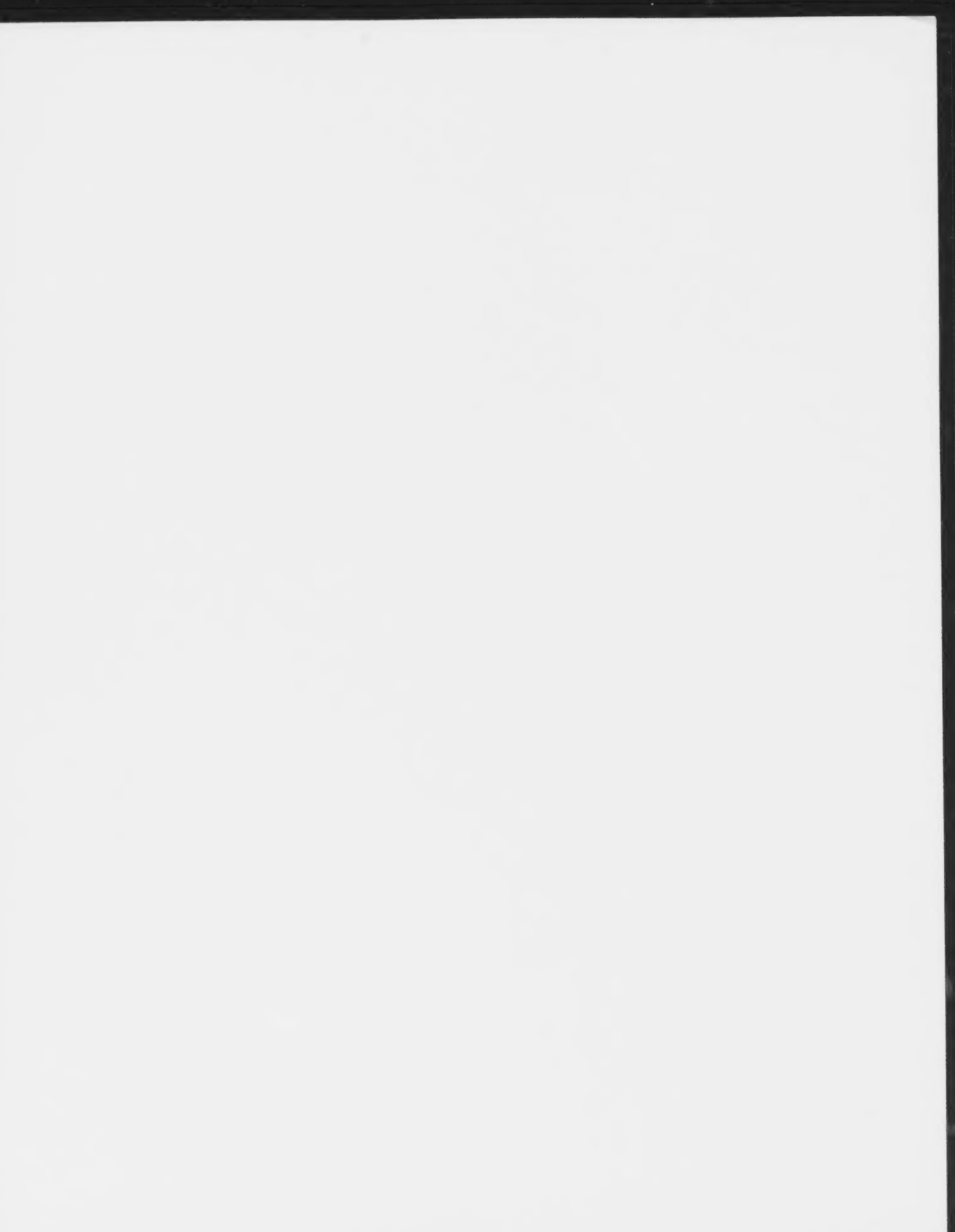
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The Impact of Economic Selection Policy on Labour Market Outcomes for Degree-Qualified Migrants in Canada and Australia

by Lesleyanne Hawthorne

Le Canada et l'Australie sont des références mondiales en matière de développement national soutenu par des programmes d'immigration économique, familiale et humanitaire planifiés et administrés par l'État. En 2005, l'Australie comptait la plus forte proportion au monde de citoyens nés à l'étranger (24,6 p. 100 de la population), devant le Canada (19,2 p. 100) et les États-Unis (11,7 p. 100). Depuis 10 ans, les deux pays privilégient le recrutement d'immigrants qualifiés (environ 60 p. 100 des immigrants, dont une grande majorité sont diplômés). Dès 2001, cette stratégie avait transformé des secteurs clés (ingénierie, technologies de l'information, architecture/bâtiment), où les immigrants représentaient environ la moitié des travailleurs qualifiés. Vu l'ampleur du phénomène et la demande internationale de travailleurs qualifiés, la situation d'emploi des immigrants économiques est devenue un enjeu politique majeur.

Cette étude poursuit deux objectifs. Premièrement, analyser et comparer les taux d'intégration au marché du travail des nouveaux immigrants diplômés de toutes catégories dans leurs cinq premières années au Canada et en Australie. Selon les recensements de 2001, les deux pays affichent sur ce plan un bilan presque identique. Parmi ces immigrants arrivés au Canada et en Australie de 1996 à 2001, respectivement 65 et 66 p. 100 avaient trouvé un emploi en 2001 (un emploi professionnel pour 30 et 31 p. 100 d'entre eux). Leur pays d'origine, leur âge, leur sexe et la demande par secteur ont eu une incidence décisive. Au Canada par exemple, ce sont les immigrants de l'Afrique du Sud, de l'Australie, de la Nouvelle-Zélande, du Royaume-Uni, de l'Irlande, de l'Europe du Nord-Ouest et des États-Unis qui étaient les plus susceptibles d'avoir trouvé un emploi professionnel (tout comme en Australie). Cette probabilité de succès était beaucoup moindre pour les immigrants provenant d'ailleurs. Plusieurs nouveaux arrivants des Philippines, de l'Inde, du Vietnam et d'autres pays d'Asie du Sud et centrale n'avaient trouvé que des emplois peu spécialisés. Un problème réel vu l'importance de ces groupes parmi la nouvelle immigration économique.

L'étude vise ensuite à évaluer la situation d'emploi des immigrants économiques à la lumière du cycle économique semblable des deux pays. Or depuis quelques décennies, d'importants écarts sont apparus entre les deux systèmes de sélection. Le Canada a maintenu un modèle fondé sur le capital humain et accepté des demandeurs principaux aux aptitudes linguistiques limitées et aux qualifications et titres de compétences non reconnus dans des secteurs à faible demande.

Résumé

À l'inverse, l'Australie, depuis 1999, a exclu les immigrants économiques qui auraient eu peu de chances de trouver un travail correspondant à leurs qualifications. En se basant sur des résultats de recherche, elle a étendu les tests de connaissances linguistiques, augmenté les exigences relatives aux titres de compétences et accordé des points de bonification aux professions en forte demande. La sélection fondée sur le capital humain avait révélé ses lacunes en retenant des demandeurs principaux dépourvus des aptitudes recherchées par les employeurs. Depuis, les anciens étudiants internationaux participent massivement au nouveau programme (52 p. 100 en 2005). En principe, ils ont financé leurs efforts pour satisfaire les employeurs australiens : jeunes et acculturés, ils possèdent une solide connaissance de l'anglais et des titres de compétences pleinement reconnus.

Dans quelle mesure ces nouveaux critères ont-ils amélioré la situation d'emploi en Australie par rapport au Canada, car même si les gouvernements élaborent les politiques d'immigration, ce sont les employeurs qui ont le pouvoir d'offrir ou de refuser du travail ? Les données disponibles révèlent que, depuis 10 ans, les immigrants économiques diplômés ont nettement mieux réussi en Australie. Ils sont plus nombreux à trouver rapidement du travail, à occuper des emplois professionnels ou de direction, à toucher des salaires élevés et tirer profit de leurs titres de compétences. Dans la foulée, un nombre record d'immigrants économiques ont évité les déplacements et la surqualification. Ces changements n'ont ni entravé ni perturbé les flux migratoires, le nombre d'immigrants économiques ayant augmenté de 77 800 en 2004-2005 à 102 500 en 2007-2008. On a aussi maintenu la diversité ethnique et raciale. Surtout, la situation d'emploi des immigrants traditionnellement désavantagés, y compris ceux d'Europe de l'Est, de l'Inde, des Philippines et de la Chine, s'est grandement améliorée. Et tout indique que cette réussite australienne est le fruit de l'intervention politique.

Au Canada, d'importantes initiatives sont en cours en vue d'améliorer la reconnaissance des titres de compétences, la transition vers l'immigration économique des anciens étudiants internationaux et des travailleurs temporaires, et de permettre l'expansion du Programme des candidats des provinces. Des investissements majeurs sont également consentis à l'élimination des obstacles rencontrés par les immigrants qualifiés, y compris en matière de cours de langues et de formation d'appoint. Autant de mesures éclairées à l'heure où de nombreux immigrants qualifiés risquent davantage que les cohortes précédentes de vivre de faibles revenus. L'enjeu de l'immigration économique restera donc très élevé dans l'actuelle économie du savoir, pour les premiers intéressés comme pour l'ensemble du pays.

Summary

The Impact of Economic Selection Policy on Labour Market Outcomes for Degree-Qualified Migrants in Canada and Australia

by Lesleyanne Hawthorne

Canada and Australia are global exemplars of nation-building through government planned and administered economic, family and humanitarian migration programs. By 2005 Australia had the world's highest proportion of foreign born (24.6 percent of the population), followed by Canada at 19.2 percent and the US at 11.7 percent. Over the past decade both countries have placed extraordinary emphasis on recruiting skilled migrants (around 60 percent of total number, with the great majority holding degrees). By 2001 this strategy was transforming select professional fields, with migrants representing approximately half of all degree-qualified workers in engineering, information technology, and architecture/building. Given the scale of these arrivals, plus unprecedented global competition for skilled workers, the employment outcomes for economic category migrants has become a major policy issue.

The current study has two aims. First, it seeks to examine and compare labour market integration rates in the first five years of arrival for *all categories* of recently arrived degree-qualified migrants in Canada and Australia. Analysis of 2001 Census data finds the two countries to be near identical. By 2001, 65 percent of degree-qualified 1996-2001 migrants had secured work in Canada, compared to 66 percent in Australia. And 30 percent had found professional positions in Canada, compared to 31 percent in Australia. Migrant source country, labour market demand by field, age and gender powerfully influenced such employment outcomes in both countries. For example, recent Canadian immigrants from South Africa, Australia and New Zealand, UK/Ireland, Northwestern Europe, and the US were the most likely to have secured professional work. A near identical pattern prevailed in Australia. In both countries, the chances of securing professional work dropped markedly for other birthplace groups. Large numbers of degree-qualified migrants from the Philippines, India, Vietnam and other South/Central Asia had found only low-skilled work – a significant policy issue given the prominence of these groups among recent economic arrivals.

The second aim of the study is to assess *economic migrants'* labour market outcomes in Canada and Australia, in the context of similar economic cycles. In recent decades, major policy differences have emerged between Canada and Australia in terms of points-based selection. Canada has maintained a human capital model of selection – its economic program admitting principal applicants with limited host-country language ability, nonrecognized credentials and qualifications in fields that have weak labour market demand. By 2006, China, the Philippines, India, Pakistan and Korea were the primary economic category source countries, despite major potential labour market barriers and

a clear Canadian employer preference for temporary foreign workers from the USA, France, Australia and the UK.

Since 1999, Australia, in contrast, has used research evidence to exclude economic category applicants at risk of poor employment outcomes at point of entry, by considerably expanding pre-migration English language testing and mandatory credential assessment, and awarding bonus points for high-demand occupations. In Australia's experience the human capital model of selection had proven flawed – delivering principal applicants lacking the attributes employers sought. Since then former international students have become important participants in the program (52 percent by 2005). In theory, such students have financed their own efforts to meet domestic employers' demand: they are young and acculturated, and they have advanced English language ability and fully recognized credentials.

To what extent have Australia's revised selection criteria transformed employment outcomes relative to Canada's, in a context where governments frame migration policy but employers retain the power to offer or withhold work? Based on analysis of available longitudinal data, the author finds degree-qualified economic migrants have performed indisputably better in Australia than in Canada in the past decade. Far greater proportions of newcomers in Australia secure positions fast, achieve professional or managerial status, earn high salaries and use their professional credentials in work. In the process, unprecedented numbers of economic migrants have avoided labour market displacement and overqualification. These policy changes have not discouraged or distorted migration flows – the number of economic migrants increased from 77,800 in 2004-05 to 102,500 in 2007-08. Racial and ethnic diversity has been maintained. Most importantly, employment outcomes have dramatically improved for traditionally disadvantaged groups – including economic migrants from Eastern Europe, India, the Philippines and China – as a result of more effective screening. The Australian experience suggests such outcomes are highly amenable to policy intervention.

Important Canadian policy initiatives are now underway to improve foreign credential recognition, the transition of former international students and temporary workers to economic migration, and to expand the Provincial Nominee Program. Major sums are being invested to address labour market barriers for skilled migrants, including language and bridging courses. These are timely initiatives, given that many skilled migrants are more likely now to face chronic low income and poverty than did previous cohorts. In the knowledge economy, the stakes are high, both for economic migrants and for the nation.



